

THE Freeman

IDEAS ON LIBERTY

JANUARY 1957

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ELECTRONIC REPRODUCTION PROHIBITED

General Douglas MacArthur speaks . . .

WE APPROACH for the first time in history an era in which the industrial tools provided by science and technology give promise to mankind of satisfaction of his basic economic and material needs. Poverty cannot be entirely abolished, but the welfare of all man-

The RISK WITHIN

kind can be raised. Tomorrow's standards can make today look like a mere start.

It is not my purpose to attempt to conceal or minimize in the slightest degree the difficulties and dangers that beset the national way.

The national dangers are both external and internal. Externally, they are those incident to war. But this contingency I regard as logically only a remote possibility.

The almost incredible destructiveness of modern weapons upon civil communities has brought to all mankind the realization that military force is no longer an exploitable method of settling international rivalries. The victor, if any such should emerge, would suffer almost as greatly as the vanquished.

If this nation is ever destroyed, I unhesitatingly predict it will not be from external force. Our own internal hazards, the spontaneous combustions arising from the accelerating complexities of modern life in an ever-multiplying community, are the ones which give rise to anxiety. They are too numerous for me to attempt to enumerate, but surely one of the most dangerous of these is excessive taxation and its sinister by-product and offspring — inflation. In the lexicon of government there is no more grim and pertinent aphorism than Chief Justice John Marshall's warning as early as 1819 that the power to tax includes the power to destroy. Indeed, this is the weapon that Karl Marx declared was the vital one to displace the system of free enterprise — the system on which our nation was founded — the system which

has made us the most prosperous people of all history.

Reasonable taxation is, of course, an essential of government; but when taxation is used as a social regulator, it becomes a menace to freedom. When its rate is so excessive that men work month after month with all that they earn going to government, it amounts almost to forced labor. It practically reduces them for protracted periods to something akin to involuntary servitude. It is an unwarranted assumption that a handful of men, centered in government, largely bureaucratic rather than elected, can spend the proceeds of toil and labor to greater advantage than he who creates the money. Excessive taxation can reduce free men to serfdom, can destroy initiative, absorb

the capitalistic system, and level representative government to sovietism.

Taxation has been the cause of more bloody revolutions in the history of government than any other one provocation. It precipitated our own Revolution which resulted in the founding of the United States of America. The Boston Tea Party is still symbolic. The Biblical story of Christ's repudiation and expulsion of the tax tyrants from the temple is still a warning. Its excesses and idiosyncrasies hang like a dark cloud over the destinies of those connected with this company and every other company in this beloved land of ours. . . .

Excerpts from remarks to stockholders at the Annual Meeting of Sperry Rand Corporation, July 31, 1956.

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If We Behave Wisely

W. C. MULLENDORE

A skeptical appraisal of the concept that no harm may befall those whom the government controls.

THAT EXTRAORDINARY and far-reaching changes have occurred in this century and particularly in the past quarter century is not a matter of dispute. Insofar as the argument about them continues, it is only as to what they mean — in which direction are they taking us? In this past quarter century, we have experienced the greatest depression, the greatest war, the biggest and most prolonged boom in our history. More important has been the alteration in our political, social, and economic institutions — in our cohesiveness, our beliefs, our self-reliance, and attitudes toward each other with respect to our mutual rights and obligations as fellow citizens and fellow human beings.

When the great mutations in our institutions were proposed and made in the decade of the thirties, there were, as most of you can still remember, widespread and

excited discussion, consternation, and much organized, unorganized, and determined, if not effective, opposition. Many in this audience will remember the shocked amazement with which the New Deal measures enacted by the Hundred-Day Congress of 1933 were received by those who were aware of their meaning.

The New Deal

And the Hundred-Day Congress of 1933 was only the beginning! Thereafter, it is true, the Blue Eagle of the Recovery Act, with its codes and absolute power over labor and industry, was killed by a decision of the Supreme Court. But, in its stead, there was enacted a series of laws giving government power over labor-management relations, hours, wages, price-fixing, the farms and farmers, money and banking, credit and income, rents and housing, and so forth — powers over the income and savings and lives and livelihood of the people which, in toto, went far beyond the first

Mr. Mullendore, Chairman of Southern California Edison Company, also is President of the California State Chamber of Commerce, Agriculture and Industry. His unofficial views here presented are from an address of September 1, 1956, before the Thirtieth Annual Sacramento Host Breakfast.

Recovery Act. Then the Supreme Court which held the Recovery Act unconstitutional was designedly replaced by a Court, the majority of whose minds "went along with the Chief Executive," as he demanded.

Yes, during the earlier years there was opposition from those who still believed in the Constitution, in a free people, and strictly limited federal government. And until World War II rescued the experiment in unlimited government from its failure to produce recovery, the opposition which flared up now and then in the Congress, and in the protests of large groups of citizens, gave some promise that the New Deal would not become *the permanent deal*. Then came the war—the war which 80 per cent of our people did not want to enter, but which we entered just the same. With the war and the war powers thus added to that shift of power to government which had already been accomplished, such opposition to the Revolution and such hope as still existed that there might be a restoration of limited constitutional government, largely disappeared.

Prosperity Silenced Opposition

Now what was it that so effectively silenced the opposition? What brought about the acquies-

cence in, even the enthusiastic endorsement of, the great social revolution of the past twenty-three years? What made wrong right? The answer can be given in two words: *boom prosperity*.

The American people are not so much interested in ideology as they are in results. They believe in a system which "produces the goods," and they seem now to be convinced that the new way of life does just that. Most business, political, labor, and educational leaders also seem to approve the results and to rationalize easily the conclusion that we are on the high road of enduring and ever-increasing prosperity.

Arguments for the New Way

The new system is one, we are assured, which cannot fail because the government is in control; it has "built-in," safeguarding stabilizers. "Wise and far-seeing" men, we are told, are both spending our money and managing our fiscal, debt, industrial relations, and all other relations. "They" are doing all this with such wisdom that never again can there be a depression or even a serious recession. If anyone dares express a doubt, he is hit with this clincher: "Why, 'the government' doesn't dare allow a depression, because if 'they' did, 'they' would lose their office and

their power; and, you know, 'they' want to hold on to those."

It is further emphasized that we are now enjoying full employment at the highest figure in history; the greatest gross national product; the greatest productivity; the highest wages and highest disposable income; the highest level of sales; the greatest of all capital expansion; the biggest government expenditures, federal, state, and local (and we can be sure they will get bigger and bigger); finally, here in California in particular, the size and the rate of growth of the population, we feel, guarantee both a desire and a need for all we can produce. What more proof do we want that the new system works and is free from the flaws of the old?

True or False?

By way of answer, I submit for your consideration the following questions having to do with elements of our present prosperity structure. Will you not ask yourselves privately and candidly, is it *true or false*, that:

1. The statistical indicators, just referred to (gross national product, etc.), which are relied upon as conclusive evidence of "sound prosperity," are like the figures on the speedometer of a speeding automobile. They reveal

only the speed at which we are traveling. They do not reveal the limitations, the weaknesses within and external to the system, the exhaustion of reserve strength, the direction in which we are going, or the perils of the road ahead;

2. Growth is not the equivalent of progress. Progress requires balanced development of production, population, consumption, and the like — and *that* we do not have;

3. Desire and need alone do not provide the means for their satisfaction; production of goods and services must come first instead of being called forth by prior creation of debt or the printing of money;

4. Increased consumption, financed by a heavily disproportionate increase in debt and debt-money, is relatively short-lived and will not support long-term capital expansion;

5. The enormous public debt is a burden and not an asset; largely it represents only destroyed wealth and not real "savings";

6. American strength, like the strength of any nation, must be measured by the sense of obligation and responsibility—the moral and spiritual vigor—of its citizens; and this strength is being undermined by:

a. The distintegration of human relations through the conflict aroused by the disintegrating

forces of racial, class, social, and economic prejudices and envy;

b. The growing reliance upon government and consequent loss of self-reliance, self-discipline, and self-respect, as well as respect for the rights of others;

c. The spreading doctrine that the majority has only rights and the minority only obligations;

d. The redistribution of wealth, the confiscation of savings through inflation, the declining per capita wealth, and the constant shift of power from the people to government.

Grim Facts

I will not burden you with statistics, but in considering the truth or falsity of these questions, we should face the grim facts of the growing public and private debt (now too big for comprehension by the human mind); the mountainous tax burden with its inequalities and stimulation of dishonesty; the serious and growing dilution of value of the dollar; the menacing burden of an unlimited and unfunded social security program; the ill-defined, uncertain, and growing American commitments in the international field; the increase in both adult and juvenile crime and violence, in-

cluding murder on the highways; and the increase in mental ill-health, with its evidence of a growing anxiety and frustration in a population depending more and more upon the manipulations of political power and influence rather than upon honest production and performance of the personal obligations upon which all rights must rest.

In the fall of 1953, Joseph Dodge, then the Director of the Budget, in describing the situation confronting the Eisenhower Administration when it took office said, in part:

The Federal Government has firmly established the policy of encouraging citizen dependence upon it, and in connection therewith, has greatly increased centralization of powers in government and control by government of the affairs of all the people....

The facts suggest we are in a costly trap of built-up dollar demands on the government for domestic purposes, many of them made mandatory by existing legislation, on which there have been imposed staggering expenditures for our national security. The source of payment is in taxes or in increased government debt.

The record-breaking peacetime budget of \$69.1 billion together with the appropriations for this fiscal year, made by the session of

Congress just concluded, when added to unspent carry-over balances and new authorizations to obligate, now confronts the American taxpayer with federal expenditures totaling \$143 billion. Apparently we have not escaped from the "costly trap of built-up dollar demands," nor from the policy of encouraging citizen dependence upon the federal government!

Tax Troubles

Some eighty years ago, the Supreme Court of the United States in *Savings and Loan Association vs. Topeka* (22 Law. Ed. 461) declared "to lay, with one hand, the power of government on the property of the citizen, and with the other to bestow it upon favored individuals... is nonetheless a robbery because it is done under the forms of law and is called taxation." Also in those days before it became legal, and even respectable, to forcibly redistribute the earnings of some citizens in order to secure the vote and favor of others, the forgotten clause of the Fifth Amendment was as carefully adhered to as is another clause today. I refer to the clause which says, "nor shall private property be taken for public use without just compensation."

Cameron Hawley in a recent speech published in the *Saturday Evening Post* of July 14, 1956,

under the title, "Our Tax Laws Make Us Dishonest," said: "What we have created is not a good climate for the souls of men."

The same may be said of our present system and the prosperity structure which it has produced. And a prosperity structure which is not good for the souls of men is dangerous and will fail. False principles do not become right and are not sanctified by a period of boom prosperity!

Our Responsibility

Finally, to those who ask: Why discuss this disturbing situation? I respectfully submit that we have an inescapable responsibility to face facts as they are and not as we wish them to be! We occupy positions of leadership and influence in our communities — some official and others unofficial. We are exerting an influence either for or against the order of things now existing. We are approving both by words and action the inflation, the debt creation, the new system under which our bosses in Washington take the lead and run the main show for all of us. We protest when they slow down on spending, lending, or granting aid in our special interest areas. We ask their assistance in getting higher wages and shorter hours and in price maintenance or the protection of our markets. We pro-

claim to the world that we have a wonderful prosperity, underwritten and guaranteed by the foreign and domestic policies and program of our federal government.

Since we endorse these policies and programs, and take credit for the increased business which they foster, we cannot escape responsibility for untoward results. We should remember who got the blame in 1932 and 1933 — the "money-changers in the temple," the "lords of business," "princes of privilege," the "false leaders" whose "greed and speculation misled the people and caused the disaster of the depression."

No Effective Opposition

Yet, where is there effective opposition in this hour of peril? The overwhelming majority of both major political parties seems to approve the present trend. This is interpreted as popular approval of the dominant policy — that the federal government should be vested with whatever power is necessary to attempt to maintain full employment and an ever-increasing standard of living for the voters. To this overriding but futile aim and purpose, the life, liberty, property, and pursuit of happiness of the individual is now subordinated. Do we quite realize where this policy is taking us? In-

evitably, it leads to the disintegration of American free institutions, the destruction of the liberty and eventual impoverishment of the citizens.

I repeat that in this growing crisis we have an inescapable responsibility. We cannot evade our responsibility by insisting that it is a job only for the politicians and that we are exclusively occupied running our own office or business or farm. *We are in on it* — whether we mean to be or not. We are endorsing full government intervention, not only through our support of candidates for public office who advocate these policies, but also through our active participation in programs which implement policies, such as full employment, government lending and management of money, credit, and other economic controls which have replaced the free market.

What Can We Do?

We can, at least, as individuals, cease drifting with this current which is carrying us toward socialism. We can wake up! We can cease joining in the chorus: "Isn't our prosperity wonderful?" We can use our influence, and insist that we prefer to return to the ways of free men. We can, as individuals, and in our groups and associations, heed the warning voiced at the recent Republican

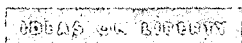
Convention by one of the wisest and most farseeing statesmen America has ever produced, former President Herbert Hoover, when he said: "If you temporize with Socialism in any of its disguises, you will stimulate its growth and make certain the defeat of free men."

Addressing a recent industrial conference under the auspices of the State Chamber, Dean Grether, of the University of California, told us of brilliant prospects and potentialities for growth and progress in California and the West during the next ten or twenty years. But Dean Grether prefaced and conditioned his prophecy with this powerful and significant phrase: "If we behave wisely."

It is that phrase which I would leave with you as expressing the great fundamental challenge confronting us. As perhaps never be-

fore, we now find it difficult and impolitic to "behave wisely"; but such is the price of delivery from our historic dilemma! This generation is charged with the preservation of our free institutions. Those institutions are in grave peril.

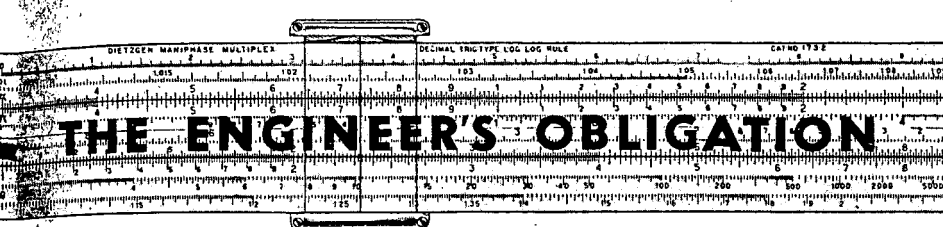
We have the strength, the courage, and intelligence for a return to sanity — to the true road of recovery and progress. It is not too late to try, and it is utterly unworthy of our heritage to admit defeat and drift into socialism and its slavery. If we are to turn aside from our present course, we must again and again remind ourselves that the American way is not the easy way of drift and dependency; but that it is the way of constant, cooperative striving for balanced progress and the preservation of our free institutions — while maintaining our "Freedom under God."



Our Duty in Life Insurance

THOSE OF US in the life insurance business must grasp the initiative in this country in leading the fight for sound money. Millions of American citizens have entrusted their life savings to us for safekeeping. We have a legal obligation simply to return to them the number of dollars promised, but we have a moral obligation to use all our influence to see that the dollars promised have the purchasing power expected. We cannot discharge our responsibilities by sitting idly by should government adopt policies which rob policyholders and annuitants of their savings.

RAY D. MURPHY, *Chairman of the Board, The Equitable Life Assurance Society of the United States. From an address to the National Association of Life Underwriters, September 26, 1956.*



THE ENGINEER'S OBLIGATION

BEN MOREELL

HAVING SPENT the last half century in the pursuit of engineering knowledge and the practice of engineering, I venture to offer some observations on the engineer's obligations to society and to his fellow man.

In these days of ambitious striving for political preferment, it is customary to bid high for the voters' favor. Candidates hold forth tempting bait in the form of promises of government "hand-outs" in return for votes. Any reference to the obligation of citizens to preserve and defend the Constitution of the United States, or to their duty to strengthen the basic principles embodied in our Declaration of Independence is conspicuous by its absence. And were a candidate to couple his promises of "something for nothing" with an explanation that, since government *produces* nothing, it must take from someone else that which it gives away, he would surely raise grave question as to his sanity.

This appears to be an inversion of true values. There was a time

when Americans looked upon their government as their servant whose duties are or should be restrained to the primary functions of protecting the life, liberty, and honestly acquired property of every individual. As is traditional in the master-servant relationship, the people were morally bound to support the government; but, in turn, the government was subject to the people's commands.

Today, as we listen to eager aspirants for public office, we must conclude that this old concept has changed. It appears that many of our people now believe that the *government* is obligated to *support them* and, at the same time, that it should have authority to tell them how to conduct their personal economic and social lives.

Does this state of affairs have special significance for engineers? I believe so. No other profession has profited more from the work of those who have gone before than have engineers. Starting with the invention of the wheel and proceeding through the long ages which culminate in our present era

Admiral Moreell, Chairman of the Board of Jones and Laughlin Steel Corporation, was wartime Chief of the Bureau of Yards and Docks and Chief of Civil Engineers of the Navy.

of jet propelled aircraft, the record of material progress constitutes a revealing account of the debt which we engineers owe to our intellectual and professional forebears.

It is an established fact that the most productive periods of history were those when men had the greatest measure of individual freedom. During those periods they had not only opportunity for personal development, but also incentive for production, since they were permitted to retain a reasonable share of the fruits of their labor without fear of confiscation by private or public agencies or officials.

The Climate of Freedom

Since engineers are concerned with harnessing the forces of nature to serve the needs of man, it follows that they have a duty to foster the establishment of conditions conducive to this result, i.e., conditions which guarantee that man's God-given rights to life, liberty, and the products of his honest labor are not impaired. This can be accomplished only if engineers participate in the processes of government, vigorously and in important degree.

Today the greatest threats to personal liberties arise, not from aggressions by foreign governments, but from encroachments by

governments upon the rights of their own citizens. If, overnight, all governments throughout the world were compelled by some supernatural power to confine their activities solely to the protection of the lives, liberties, and honestly acquired property of *their own citizens*, the world would be transformed. We would enter upon a period of unbelievable productivity and prosperity. Even more important, all international tensions would disappear. It is only when governments coerce their citizens into supporting their ambitious schemes on the international scene that conflicts arise and wars ensue.

In general, engineers are prone to be more concerned with the discovery of facts than with the discovery of the meanings of those facts as they apply to the development of mankind. My plea today is that we engineers, who are so heavily indebted to our intellectual forebears, resolve to discharge that debt by contributing to the advancement of knowledge and the establishment of the climate which permits such advancement, the climate of *individual freedom*.

For from freedom, we can derive peace. And with freedom and peace we can go forward to achieve life's richest spiritual and material blessings for all people, everywhere.

• • •

WHY WAGES RISE:

II. PRICING AN HOUR OF WORK

F. A. HARPER

In earlier articles in this series, attention was focused on the fact that the general level of real wages is determined by what is produced; that inflating pay beyond this point raises prices but does not raise the worth of the wage in buying power; that

unions, with all their political and other power, cannot veto the iron ceiling that production sets over real wages.

In this article attention will be turned to the problem of pricing one's labors in the market.

THE lone pioneer's desire for some meat, some wheat, or a log cabin is the incentive which drives him to produce. Anticipating his future wants, he produces in advance, like a squirrel which gathers and stores nuts for winter. And in anticipation of years of future use, he makes himself some tools to aid in his labors and in the enjoyment of living.

Then having produced these things, the pioneer is his own sole market. In this situation there is no pricing problem because there is no money and no exchange. Nothing remains unsold as a result of the seller setting his price too high.

Production Creates Own Market

But we are not lone pioneers. We live, instead, in a complex economy. A person usually pro-

duces a specialty, selling most of it to many persons and buying his varied needs from many other persons.

Even so, the over-all situation is the same as for the lone pioneer to the extent that no more can be bought than is produced. Despite the fact that some goods and services are exchanged for others, and despite the fact that money may be used to facilitate these exchanges, what is bought still equals what is sold. Just as in one exchange the buying equals the selling because the same item sold by one person is bought by another, so likewise for the total of all trade in a complex economy, all buying equals all selling.

And this leads to the unavoidable conclusion that *production creates its own buying power in a free economy.* Sales equal pur-

Dr. Harper is a member of the staff of the Foundation for Economic Education.

chases and purchases equal sales, in total for all trade as for a single trade. Only if the market is not free, only as freedom to trade is interfered with, is this not true.

The Function of a Free Price

The function of a free price is to accomplish in a complex economy of exchanges what the lone pioneer accomplishes in his separate existence — the production of what is

wanted of each thing, and no more, insofar as is possible. The function of price is to discourage production of unwanted items and to encourage production of what is wanted, to the extent that wants can be anticipated and production plans can be carried out.

The lone pioneer has his own troubles in this respect, of course. Perhaps the fishing is not as good as he had expected, or the weather

EFFECTS OF PRICE FREEDOM				
If the price is fixed at	these quantities will be			
	wanted	offered		traded
50c		 SURPLUS		
40c		 SURPLUS		
30c				
20c		 SHORTAGE		
10c		 SHORTAGE		

Free
market
price

not good for the corn. Perhaps in winter he changes his mind about what he wants, wishing he had provided more venison and less corn. Or perhaps his wife wishes the cabin had been fixed up a little, even if it had meant less hunting. Or perhaps too much food was stored and some of it spoiled. What does he do then? He just blames himself for his lack of foresight and quickly adjusts as promptly as possible so as to go on with production and living.

Adjustments Facilitated

In a complex economy, similar events occur. But one person can blame another more easily for not having foreseen the weather, or for the change in his wife's wants, or something of the sort. But the objective of everyone in a complex society should be the same as if he were a lone pioneer — to adjust as promptly as possible and go on with production and living.

That is the task performed by prices that are free. The accompanying chart on the effects of price freedom shows how this takes place, and how an unfree price prevents adjustments in economic living.

The two simple ideas behind this chart are these:

1. Less of a thing will be wanted at a high price than at a low price, progressively.

2. More of a thing will be produced in anticipation of a high price than of a low price, progressively.

From these two rules it can be seen how the quantities available and the quantities wanted operate like the two ends of a seesaw. A rising price pulls down the "wanted" end and pushes up the "offered" end. A falling price pulls down the "offered" end and pushes up the "wanted" end.

Only when the seesaw is on the level, at the point of the free market price, will there be equality between what is wanted and what is offered. And this is the only sort of equality that should ever be given any economic merit. When individuals are left alone, free to buy and to sell what they wish at the price determined solely by the owner-traders of each item, this equality will operate just as water seeks its own level. No superplan is needed to force prices either up or down to this level. Price will find its own level through the innumerable decisions of individual buyers and sellers.

What any outside force does to prices is to push them either above or below this point of equality. The agent who applies the force is always an outsider to the deals of trade, someone who owns neither what is being sold nor what is being traded for it. He is an economic

interloper, with or without official title of some sort.

Forcing the price above the equality point creates surpluses. The higher the price is pushed, the greater the surplus. And forcing the price below this point creates shortages — more and more shortages as the price is pushed down more and more.

Two forces operate to create a surplus as prices are forced above the free market point — consumers want less and producers bring out more. And conversely, these two forces both operate to create a shortage as prices are forced down.

Trade Is Maximized

And finally, as to the function of a free price, it will be noted that trading will be greatest at the equality point, a free price. Either above or below that point trading is lessened, either because things are not wanted at a higher price or because they will not be produced and made available at a lower price.

So if we accept the fact that economic welfare is at its best when willing trading is at its greatest, we must also conclude that economic welfare is greater at the free market price than at any other point. If prices are forced away from the point of the free price in either direction, that destroys economic welfare.

Wages Are a Price

The purpose of discussing the function of price in this detail is because a wage is a price, too. It is the price of doing work, just as the price of a bushel of wheat is the price for that embodiment of economic service. In both instances, the owner — in one case the owner of the wheat and in the other case the owner of his own time and effort — is entering the market with something to sell. And buyers who want either the wheat or the work enter the market to buy and thus satisfy their respective wants.

The laborer as a person is not a commodity in either instance, but the time of one and the product of the labors of the other are items of sale — both in a like sense.

A worker may work for himself producing some product he sells on the market. Or he may sell his productive services to another person who in turn sells the product on the market. Or he may work at some task like that of a household servant.

Since wages are a price, they are subject to all the rules of prices and pricing, the same as anything else. All that has been said about the function of price applies to wages the same as to wheat. There is a point of equality at the free market price where the supply of labor and the demand for labor find a balance.

And there is no other point of wage-price where this is true.

As wages are forced either above or below the free market point, there will be created either a surplus or a shortage of labor. And there will be less employment either above or below the free wage point — less labor traded — to the extent that higher wages discourage those who might want to employ help, whereas lower wages discourage people from wanting available jobs. In one direction from the free price, employers offer fewer and fewer jobs; in the other direction, fewer and fewer persons want jobs.

Bargaining for a Wage

Bargaining over wages should have no other purpose, in terms of economic welfare, than to find the free market price for the labor involved. For that is the only price of labor where there is economic equality. It is the only price of labor where employment will be at a maximum.

How can one know whether the free market price has been found? So far as I can see, this can be judged for sure only after the fact, on the basis of the consequences. Let us first look at the pricing of some other product.

Suppose you are taking your sweet corn to a consumer market to be sold. You guess where the

price should be set for it, and start selling at that price. If at the end of the market day you have some corn left unsold, you will know it was priced too high. And if you could have sold more at the price you set, you know that it was priced too low. How else could you know for sure where the right price was? Note that this has nothing whatever to do, precisely, with what your wife — the bookkeeper — said it had cost you to produce the corn — a figure that might be above or below the free market price.

It is the same with selling your labor. If other employers want you at the price you are getting, or perhaps more, your price on your services is too low. If, on the other hand, nobody wants you at the price you ask, your price is too high. And here as with the price of sweet corn, this figure of a free-price wage for yourself has nothing to do with the cost of producing you; it doesn't even have anything to do with your cost of living, which you adjust to your income rather than vice versa.

Unemployment

When wheat is priced above the free market level, the accumulation that is unsaleable at that price is called a *surplus*.

When the comparable situation arises among the working force of

a nation, we call it *unemployment*. This refers to the labor — perfectly good labor — which is going unsold at the wage-price.

I would define unemployment as *involuntary leisure of a person who is willing to work at the free market price*.

The only way there can ever really be a surplus of labor, unwanted at the price, is by some sort of force being used on wages to keep them above the free market price. It couldn't happen otherwise. For it seems fair to say that if I don't want to work at the best price the highest bidder for my services is willing to offer me, I am merely preferring idleness to work. And if I thus prefer idleness to work, I am not really an unemployed person. My situation is best described by saying that employment is just not an object of my yearning, sufficient for me to merit the use of the label "unemployed."

To illustrate differing ideas about this problem of unemployment, let me cite one incident. The French scholar, Bertrand de Jouvenel, once told me of his coming to the United States for the first time in the early thirties. He had heard of the tremendous unemployment here, and was greatly concerned about his future; for when he landed in New York, he had only eleven cents in his pocket. Yet he quickly found work, in a land where

about one-third of the "gainfully employed" of this country were at that time "unemployed." He took a job washing dishes in a restaurant at the wage being offered. He considered the United States in the early thirties to be a land of opportunity.

Jouvenel would probably say, with some justification, that if I were to decline to work at the free market level of wages — whether under the pressure of my government, as in the thirties, or under the pressure of the labor union — I should more accurately be described as suffering from power-enforced leisure rather than unemployment. For voluntary lack of work is not involuntary leisure — not unemployment as I have defined it.

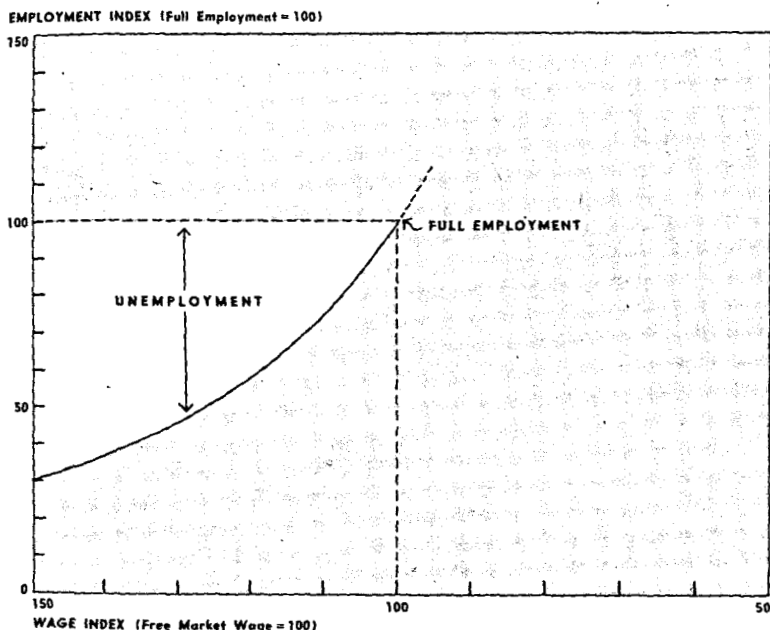
Despite this, however, we shall be using the term unemployment hereafter in the conventional sense, to refer to persons among the normal labor force who are not, at the time, working.

The Demand for Labor

The demand for labor is not a fixed thing. There is not an unchanging number of persons wanted for work. The number demanded depends on the wage. I do not, for instance, happen to employ even one person around my residential property. The price of labor available there is too high for my need of work to be done. But at a

WAGE LEVEL AND UNEMPLOYMENT

Demand Elasticity of 3



lower price for doing work, I would hire one person — at a still lower price, perhaps two persons; then three; and so forth.

Some commodities have a type of demand which we call “unity,” where one per cent more of the commodity is wanted after the price is lowered by one per cent. And vice versa.

Apparently the demand for labor is not of this one-to-one ratio. Two

noted students of this subject who have studied it carefully — Douglas in the United States and Pigou in Britain — both arrived at similar results.¹ A consensus of their conclusions puts the demand for labor at something like three or four to one. That is, a decline of one per

¹Douglas, Paul H. *The Theory of Wages*. New York: Macmillan, 1934. p. 501.

Pigou, A. C. *Theory of Unemployment*. New York: Macmillan, 1933. p. 97.

cent in wages would uncover new jobs for three or four per cent more work. And vice versa.

This idea is of tremendous importance to economic welfare, especially under conditions which threaten a depression. I do not know for sure that this three or four per cent is the correct figure. But whatever the exact figure, it works in the same way. The difference is only in the rate of response, in new jobs available at differing wages.

Let us take these Douglas-Pigou figures, leaning a bit on the conservative side of their conclusions. Let us say that the figure is three per cent. What would this mean when applied to real life?

Three to One

The accompanying chart of the wage level and unemployment shows how unemployment and the wage level are related on this three-to-one basis.

At the free market wage of 100 (base scale) there is full employment — no unemployment. Everyone who really wants to work has a job.

Now assume that wages are to be forced above the free market level (moving leftward from 100, on the base scale). Employment declines — unemployment increases — at a rapid rate, according to the factor of three. Starting from whatever

level one wants to consider, a one per cent rise in wages will reduce employment by three per cent.

Wages about ten per cent above the free market price would mean unemployment of about one-fourth of the working force.

If wages were to go up about twenty-six per cent, it would unemploy about half the working force.

How can we tell whether the price of work at a given time is too high? All we have to do is to look at the unemployment figures, assuming the figures to be accurate. Or one might ask people who are not working whether they have turned down jobs at the price offered, or whether they are out of work because they couldn't find any jobs at any price.

Moving in the opposite direction of wages below the free market price (rightward from 100, on the base scale) results in the opposite tendency. More and more people are wanted for work. But since there is full employment at the free market wage, reductions in wages, from that point can cause "negative unemployment" only under special conditions. New persons not normally in the working force may be pulled into jobs at a wage below the free market point if they can be induced to do so under the urgency of war, or something like that.

Overfull employment seldom

happens except in wartime, for two reasons. One reason is that wages tend quickly to bounce upward to the free market point, there being no potent and effective force in the nation to hold them below that point for long. This is because wage earners are voters, and they do not form unions to keep wages below the free market point.

The other reason why "negative unemployment" does not last long is that the labor statisticians soon conclude that their count of the working force must have been wrong before. So they revise their figures in such a way that full em-

ployment is not exceeded, according to the newly revised statistics.

Such is the problem of pricing work in the market for labor. Such is the function of freedom in wages. . . .

In the next and final article in this series, these principles of pricing work will be tested in real life experiences. They will be tested against some historical experience, including the so-called business cycle. They will be appraised from the standpoint of the welfare of those in the labor force, of the nation as a whole.

Why Wages Rise

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The Foundation for Economic Education, Irvington-on-Hudson, N. Y.

How Poor the Farmer?

HERBERT L. SCHALLER

AGRICULTURAL income may be down — but it is not on the verge of disaster. Farmers may be feeling the pinch — but they are not on the edge of bankruptcy.

Some farmers have gone broke; others will. But can you name any industry where people go into business for themselves that some of them don't fall by the wayside?

Amid all this din and noise over the farm problem by those who would act the role of savior, one pitiful fact remains: It is a sad commentary on our intelligence and our great agricultural industry that we have allowed the farmer to become a mere political pawn in a game played primarily by those who have a selfish interest in the outcome.

First of all, who is the farmer? Primarily, he is a businessman. He is not much different from his friends and neighbors who run the local grocery, furniture, clothing, or other community store.

Let's compare them for a moment.

Perhaps one basic difference is the fact that these other businessmen compete directly with others in their field on a product basis. They buy and sell essentially the same items in many instances, and make their profit by better merchandising, greater efficiency, and volume.

The farmer, on the other hand, competes almost entirely in his field on an efficiency basis. He stakes his profit on the fact that he can produce better than others at a lower cost per unit, and thereby profit at the market.

The end result is that both must rely on efficiency of operation to give them the profit they need.

But what happens in farming? In this business every effort is made to keep the inefficient producer still operating. And whom do we penalize? The good, efficient, progressive farmer.

Mr. Schaller is Editor of Better Farming Methods. This article is from an editorial in the April 1956 issue.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

These "friends" and "wise counselors" offer the farmer everything from high supports, to cheap money, to government aid, and what have you.

And his counterpart, the small businessman? When he fails, he passes from the scene with hardly a ripple. He becomes a victim of his own inefficiency and seeks a living elsewhere.

I can't recall a subsidy for an inefficient groceryman. I can't recall frequent and periodic outbursts of oratorical fire echoing in the halls of Congress over the plight of such a man.

Isn't it about time we recognized the fact that one of the basic problems facing agriculture is that of too many farmers?

Such a statement inhuman? Not at all! Many of them would be

happier and better off financially in other occupations. Would anyone argue the fact that we should have as many other small businesses, such as grocery stores, as we once had?

Isn't it about time that we recognize that we may have been doing the farmer an injustice through our efforts to be concerned about his every welfare?

Let's be leaders enough to recognize the fact that the farm problem today has become more political than agricultural. It has its roots, not in the over-all welfare of the farmer, but in the pot of politics.

Then let's be leaders enough to admit this fact and concern ourselves with correcting it.

The end result will be greater benefits to the farmer and the industry of agriculture. . . .

Freedom in Trade

THE LONG RUN ANSWER for Canada may be to reduce tariffs and to work towards a greater measure of freedom in trade which will permit our potential customers abroad to earn the necessary dollars for the purchase of our wheat and other grains, through the sale of their own goods to this country . . . It is not enough to have a high quality product and to assume that buyers will eventually have to come seeking it. It must be to their buying advantage to do so. If we can provide that advantage we shall have less to fear from the somewhat unorthodox methods which others are now employing and about which we are so critical.

From the October 24, 1956 report of the Searle Grain Company, Ltd., Winnipeg, Canada

The Morality of Capitalism

ECONOMIC INDIVIDUALISM = FREEDOM = ALL MORAL VALUES

WILLIAM HENRY CHAMBERLIN

THERE is a widespread belief that capitalism, or economic individualism, while it may be necessary, is morally somewhat disreputable. This has found reflection in the pronouncements of religious bodies and of individual religious leaders. There are fortunately not many ministers of religion who disgrace themselves and their professed faith as Christians by endorsing the bloodstained record of the atheistic Soviet Union.

But socialism under such beguiling disguises as "social action," "the social Gospel," "humanitarianism," and the like has made considerable inroads in church thinking on both sides of the Atlantic. The conviction that capitalism is contrary to religion and ethics was a strong factor in the rise of the British Labor party and its postwar implementation of a far-reaching socialist program, which has been only slightly diluted by the conservatives.

Influential publicists like R. H. Tawney and Harold Laski tried to dispose of economic freedom with pejorative epithets. Tawney spoke of "the acquisitive society." Laski characterized historic liberalism—diametrically opposed to what has passed for liberalism under the New Deal in its economic assumptions—as "the philosophy of a business civilization." The true inspiration for historic liberalism came from faith in human freedom and in Locke's great trinity of natural rights: life, liberty, and property.

Whereas continental socialists were generally indifferent or actively hostile to religion, the British Labor party has always included a considerable number of professing believers, especially in the nonconformist churches. They, like some of their sympathizers in the United States, tried to infuse some religious and ethical content into the materialistic dogmas of Karl Marx.

Mr. Chamberlin has examined the evils of collectivism at first hand and is known as author of numerous books, lecturer, contributor to the Wall Street Journal and many nationally known magazines.

Religious warrant was invoked for communism or socialism by pointing to such examples as the equal sharing practiced by the early Christians or the dedicated life of St. Francis of Assisi and others who deliberately embraced a life of poverty in order to serve their fellow men.

Such examples, however, confuse the issue. Under a free economy, which always goes hand in hand with free political institutions, no one is denied the right to practice personal self-denial or to engage with others in schemes of communal living. Paradoxical as it may sound, an idealistic communist can live up to his faith much more easily in a capitalist society than in the Soviet Union or any other country ruled by communists.

For communism is now an enforced system of hierarchical inequality, maintained by police state methods. There is no toleration in communist countries for the religious impulse which has been strongest in promoting voluntary association of groups of men and women in dedicated communities.

When Soviet agricultural experts visited a *kibbutz*, or communal farm settlement, in Israel they were amazed to find far more equal sharing than was customary in collective farms at home. What

surprised them still more was that there were no armed guards, such as have been found necessary in Soviet collective farms to prevent the exploited peasants from stealing their own grain.

A free economy is in no way hostile to the man who, as the famous naturalist, Agassiz, once said of himself, has no time to be rich. Such men, thinkers, scholars, scientists, are its pride and glory and enjoy opportunities for development and expression which they would never possess under any form of controlled economy. It may also be noted that many who have acquired wealth under a free economy have given away, wisely or unwisely, in one form or another, most of what the tax collector has allowed them to keep.

Freedom Comes First

The issue is not over the right of the person as an individual or as a member of a group acting under some religious or ethical sanction to spurn wealth and live simply and austere. The issue is whether there is something intrinsically immoral in the capitalist system and whether morality would be advanced by the reshaping of this system along socialist or communist lines. The answer to both these questions is an emphatic No.

The first condition of a moral

order is freedom — the opportunity of the individual to choose consciously and voluntarily between good and evil. And freedom, in turn, has always been associated with the right of the individual freely and legitimately to own, possess, and bequeath property. One might paraphrase a famous peroration of Daniel Webster's to read: "Liberty and property, one and inseparable, now and forever."

The emergence of Western society from the arbitrary rule of monarchs and privileged feudal lords into states where the government functions are strictly limited by the rule of law went parallel with the vindication of the right of the individual to acquire and own property. This issue looms large both in the British Civil War, which ended the dream of an absolute monarchy functioning through a royal bureaucracy, and in the American Revolution. Mention the British Civil War and one thinks of one of the parliamentary leaders, John Hampden, who refused to pay an illegal tax, "ship money," and later lost his life in one of the battles and skirmishes which finally gave the victory to Parliament over the Crown.

"No taxation without representation" was one of the slogans of the American Revolution; one of its more picturesque early episodes, the Boston Tea Party, was

provoked by the insistence of the British government on levying an excise tax without the authority of the representatives of the American taxpayers.

The Declaration of Independence charges King George III with "repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these states."

And violations of property rights have a prominent place in this historic charter of American liberty, along with infringements of the political, legal, and personal rights of the colonists. So one finds in the list of grievances which are held to warrant separation from Great Britain:

He [the King] has erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance.

Cutting off our trade with all parts of the world.

Imposing taxes on us without our consent.

Security of Property

The men who affixed their names to the Declaration of Independence, pledging "our Lives, our Fortunes, and our Sacred Honor," understood very well the close, inseparable connection between the right of property and the other natural rights of man. It was perhaps an accident that Locke's

formula of "the natural right of life, liberty, and property" is modified in the Declaration of Independence to "certain unalienable rights . . . among these are life, liberty, and the pursuit of happiness."

But, as is evident from reading the *Federalist Papers* and from other writings of the Founding Fathers, most of the leaders of the American Revolution would have subscribed to Locke's view that the security of property is "the great and chief end of men's uniting into commonwealths." John Adams, perhaps, spoke with clearest voice on this subject:

The moment the idea is admitted into society that property is not as sacred as the laws of God, and that there is not a force of law and public justice to protect it, anarchy and tyranny commence.

And in discussing the French Revolution, about which he had almost as many reservations as Burke, Adams again emphasized the double idea that respect for property is a fundamental condition of liberty and that only a government of limited and divided powers can avoid the danger of lapsing into tyranny, either of an individual, of the mob, or of an oligarchy:

Property must be secured, or liberty cannot exist. But if unlimited or unbalanced power of disposing

property be put in the hands of those who have no property, France will find, as we have found, the lamb committed to the custody of the wolf. . . . The nation which will not adopt an equilibrium of power must adopt a despotism. There is no other alternative.

False Banner of Equality

In the Constitution, which still stands as the sheet anchor of the American ideal of liberty under law, although it has been subjected to some severe strains and stresses in the last quarter of a century, one cannot find a line that would authorize the leveling conception of equality, enforced by the power of government authority. The Declaration of Independence asserts that "men are created equal"; but the authentic American idea is that this equality is an equality only of opportunity, the right of every man to go as far as his character, industry, and ability will carry him. It emphatically is not that everyone should go equally far, with artificial handicaps for the more capable and industrious, and unlimited state aid for those who lag behind. There is no warrant in early American political thought and legal enactment for the practice of pillaging the thrifty for the benefit of the thriftless.

Thomas Jefferson would prob-

ably have been called a Leftist, if the term had been known in his time. But, as his correspondence shows, he fully agreed with the conception of a natural aristocracy, as put forth by his political opponent, John Adams, in the following words:

There is a voice within us, which seems to intimate that real merit should govern the world, and that men ought to be respected only in proportion to their talents, virtues and services. . .

Few men will deny that there is a natural aristocracy of virtues and talents in every nation and every party, in every city and village.

Jefferson's agreement with this view is expressed in a letter to Adams from Monticello, dated October 28, 1813:

I agree with you that there is a natural aristocracy among men. The grounds of this are virtue and talents. . . The natural aristocracy I consider as the most precious gift of nature, for the instruction, the trusts and government of society. And indeed it would have been inconsistent in creation to have formed man for the social state, and not to have provided virtue and wisdom enough to manage the concerns of the society.

It was on this basis of individual opportunity that the American Republic was founded. And this principle not only provided the main-

spring for a material development unmatched in history; it also promoted morality by leaving the individual, subject to the restraint of the law, free to make his choice between good and evil.

As Others See Us

The most brilliant, lucid, and discriminating foreign visitors to the United States, Alexis de Tocqueville and Lord Bryce — the former observing America in the eighteen thirties, the latter near the end of the century — both, on balance, found the moral fruits of the American experiment good, although both were keen and perceptive as to flaws and weaknesses. Lord Bryce, viewing America with the background of a widely traveled Briton, devotes a chapter to "The Pleasantness of American Life." As elements in this pleasantness he mentions "the general prosperity and material well-being of the mass of the inhabitants, social equality," and describes the Americans as follows:

Good nature, heartiness, a readiness to render small services to one another . . . seem to be everywhere in the air, and in those who breathe it.

I recently heard of another tribute to America from a much less distinguished person, an unknown Italian woman. A European-born American professor and his wife,

motoring through Italy, stopped to pick up an Italian family stranded by the roadside in the rain. There was nothing about the car or the dress of the professor and his wife to mark them as Americans and they were talking in the language of their native country. But after a time the Italian woman said: "You must be Americans. Only Americans would be kind enough to pick up complete strangers as you did."

In the United States, as everywhere else, there are bad people as well as good people, swindlers, hypocrites, hoodlums, gangsters, and whatnot. But under the American system of a free economy and free political institutions there is no moral compulsion on anyone to be a scoundrel. People succeed or fail morally on their individual merits or demerits.

Crime and Consequences

How very different is the situation in the countries that have fallen under communist totalitarian rule. No reliable figures are available. But, judging from the reports of many former inmates of concentration camps, a considerable number of people sent there, besides political suspects, are hardened and brutalized criminals, guilty of such offenses as robbery and murder. Soviet newspapers in recent years have been devoting

much attention to the alarming prevalence of drunkenness and juvenile delinquency. In these fields, perhaps, the moral score with the West is about even.

But where the score is certainly not even is in the immorality that is forced on Russians, Chinese, and other peoples living under communist rule by the State. It is a high crime and misdemeanor in every communist state not to be an informer of "counterrevolutionary" activity, even though this may entail the death of a close relative. Both the Soviet Union and Red China have made heroes of the wretched junior communist who has spied on his parents and denounced them to the authorities.

Since the official curtain was parted, revealing some of Stalin's crimes, we have it on the highest Soviet authority that innumerable Soviet citizens, including highly placed communists, have been compelled under torture to make false confessions involving themselves and others.

The Archbishop of Canterbury, highest dignitary of the British Established Church, felt no hesitation in expressing doubt and dismay about the British landing in Suez.

But the Patriarch of the Russian Orthodox Church is an amoral robot, obliged to echo in his public pronouncements every lie put out

by his atheistic government, including the one about United States employment of germ warfare in Korea. When the notorious "Red Dean" of Canterbury or his American emulators sound the eulogies of the bloodstained Soviet regime, implacably hostile to all forms of religious faith, they have to answer only to their own reason and conscience. No one has put any pressure on them to do so. And they are free to denounce their own governments with impunity, to act as conveyors of the incredible falsehoods made in Moscow.

But if any Soviet religious leader of any faith should call down the retribution of a righteous Providence on a regime whose whole record has been one long atrocity — from the Red Terror of the first years of the Revolution, through the starvation of millions of peasants, down to the massacre and deportation of the freedom-loving Hungarians — he would be an immediate candidate for the crown of martyrdom.

Socialism Also Fails

It may, of course, be argued that communism is not the only alternative to capitalism. But one is not impressed by the moral achievements of socialism where this system has partially or entirely come into power. Much of its driving force comes from two of the least

amiable of human traits, hatred and envy. There has been considerable expression of disillusionment by the more thoughtful Laborites in Great Britain about the failure of socialism to bring about the moral regeneration which they expected. It has been found by experience that workers in nationalized industry do not work harder or more enthusiastically because the State has replaced the private employer as the boss.

The process of pillaging the thrifty for the benefit of the thriftless by confiscatory direct taxation and high "social security" payments — a process that has gone much further in Great Britain than in the United States — has not led to any earthly paradise, but to drab mediocrity and a considerable let-down in efficiency and will to work.

The rise of the free individualist economy coincided with the decline of old-fashioned tyranny in the form of the arbitrary power of emperors, kings, and princes. The decline of this economy has just as significantly coincided with the rise of totalitarian tyrannies far more formidable and ruthless than the old-fashioned monarchies.

The equation, economic individualism equals freedom equals all moral values, has never been proved wrong — least of all in our own time. . . .

WORLD

INVISIBLE

DIODENES

THERE are two kinds of truth. There is the truth about the world which is external to us, the world which we perceive through our senses, or our senses aided and extended by instruments; but there is another kind of truth, the truth about the world which is internal to us and which cannot be seen by the eye, heard by the ear, nor measured by instruments.

I see a man. With my physical senses I take him in, a solid, three-dimensional object. I note if he is small or large, tall or short; I note whether he is young or old; I note the color of his eyes and his hair; I note whether he is bearded, moustached, or clean-shaven. With my ears I hear his voice and assess its pitch and timber – and so on. But, when I have used my physical senses to the full, how much do I know of the man? I know nothing except some physical facts about his body; but of the real man behind that body – the compound of motion, thought, experience,

memory, and the rest – I know nothing.

And now suppose that (without killing the poor fellow, of course) I were able so to operate upon him that I could see his brain, his heart, his internal organs. From seeing them, I might learn something of how the machine works. I might see the heart pumping blood through the veins, or watch the operations of the digestive organs and the organs of elimination – but again I should know nothing of the man himself.

Suppose, further, that I could take segments of his flesh and of his organs and his brain and submit them to microscopic and chemical analysis. I might learn a good deal about the materials which go to make up the human body, but I should be as far away as ever from knowing anything about the “the invisible man,” of whom the body is only one – and that a temporary – manifestation.

Yet, knowing this truth about a

Diodegenes is the pseudonym for a regular contributor to the British weekly, Time & Tide, this article being from the issue of October 6, 1936.

human being, we do not apply it to the world without, to the physical universe. We assume that if we could push the boundaries of knowledge of that universe sufficiently far back, we should find the answer to what Maeterlinck called "The Great Secret." We think that we should find the why and wherefore of things, that we should understand the meaning of life.

The Spirit of Things

The thought of earlier ages did not entertain this delusion; it knew that man was more than his physical apparatus. It thought of him as a spirit of which the body was but the instrument. It saw the universe not as God, but as the garment of God. Man was the microcosm, of which the universe was the macrocosm, but they came from the same Hand and it was reasonable to suppose that they were constructed on similar principles. If there was "an invisible man" behind the visible man, it was reasonable to suppose that behind the visible world there was an invisible one.

But since the time of Galileo, modern man has thought less and less in these terms. The whole emphasis of scientific inquiry has been on probing the material universe. Man has developed instruments of ever-greater precision, telescopes of ever-greater power of

penetrating the skies, microscopes which probe ever-deeper into the infinitely little.

True it is that he has added immensely to his knowledge of the material universe. He has pushed far back into time and space the boundaries of the skies, opened up the sub-molecular world, measured, weighed, analyzed the different forms of matter. He has broken down the "particle" of my boyhood into the atom; he has even broken down the atom to its constituent neutrons and electrons.

Nor is it to be denied that much of the knowledge which science has discovered has been of great practical use. The constant probing of the physical body has revolutionized the art of surgery. The constant analyzing of various forms of matter has made available a vast range of medicines.

We can do all sorts of things with matter of which our fathers could not have dreamed. The impact of the inventions made possible by scientific discovery has changed during my own lifetime the face of civilization — and the pace of change becomes ever swifter.

On the other hand, it must be admitted that increased knowledge of the material world has led to awful things and to still more dreadful possibilities. Gunpowder, high explosives, the cultivation of deadly germs for war purposes, the

atom and the hydrogen bomb — these must be set against the many benefits that in a material sense science has brought to the world. If science has made possible more abundant material life, it has also made possible its universal destruction.

But the essential point is that, with all the answers to all the questions which science has rendered available, it has not answered the only questions which really matter, for its only concern has been with the external, material world. In my car I can travel fifteen times as fast as Plato could. In a plane I can travel perhaps a hundred and fifty times as fast as Aristotle ever did. But the same questions are there at the end of the journey.

In earlier ages men could hear the human voice only within a distance of a few score feet; now I can hear the voices of men from every part of the earth, but they tell me much less of what is to the point than the utterances of the wise of old. I may extend the duration of my life for perhaps a score of years longer than my forefathers could have hoped for — but will it equal theirs in quality? Science may plan better cities and houses, but does it help one iota with the mansions of the soul?

When an individual man denies that he is more than flesh and blood, when he thinks of himself as

being merely a highly developed form of animal life, when he denies the invisible man within, he sets strict bounds to the possibility of his own psychological and spiritual development. The materialist creates his own blind alley. So does a materialistic science. It is reaching the end of that blind alley today. As one bewildered scientist expressed it not long since, "We don't know where we are." • • •

EDITOR'S NOTE: *Diogenes well emphasizes the dead end of materialistic science — the sad fate of the individual who perceives only the external, material world. But that is hardly the end of the trouble, for the attitudes and actions of the materialist also affect others.*

Anyone unconscious of the Invisible — oblivious to that creativity which is infinitely beyond self — is logically inclined to believe in his own omniscience. Thus self-enthroned, he may dream of a world perfected by casting others in his "omnipotent" little image — even to the point of compelling them to act and believe as he does. From such inability or unwillingness to contemplate the Invisible and to admit of reality beyond one's own sensory perceptions, may well stem the growth of authoritarianism. For if a person is aware of the mysteries enshrouding even himself, how could he possibly seek to control or forcibly direct the creative actions of others about whom he knows less?

EDITOR'S NOTE: We're told that more than three million reprints of "Our Four Great Faiths" had been distributed between its first publication in 1951 and our recent acquaintance with it. The message seems so timely at the beginning of a new administration, a new year — or even a new day — that it is presented here for others who might never have seen it, and for those who want to read it again.

Our 4 Great Faiths

W. G. VOLLMER

WE LIVE in a land of plenty, in a land of mechanical miracles and great scientific achievements. We are the best fed, the best clothed, and the best housed people in the world. Our vast material blessings have no equal in the long, turbulent history of civilization. The productive capacity of our farms, our factories, our mines is the envy and the hope of a free world.

Yet, at the peak of our prosperity and power, we find ourselves beset by fears, by doubts, and by uncertainties. The situation is a frightening one.

The seeds of this critical situation in which we find ourselves today were planted many years ago by a German named Karl Marx. The teachings of this man long lay dormant. But some years ago they came to life in such forms as fas-

cism, nazism, socialism, and communism.

This Marx-bred philosophy is an anti-God concept of life. It denounces and smears the God-giver rights and liberties of man. It denounces the basic faiths and rights contained in the Bible, the Declaration of Independence, and our Constitution. Under the Marxist idea, man has only one right — the right to follow blindly and unquestioningly the dictates of the State — and to slave and die uncomplainingly for it.

This theory of the all-powerful State is now locked in a death struggle with the concept of freedom, justice, and the dignity of man. It is a global struggle with a philosophy which seeks constantly and craftily to destroy everything we hold dear. It is a conflict between human dignity and godless

Mr. Vollmer is President of the Texas and Pacific Railway Company.

tyranny, between freedom and slavery, between God-given rights and state-granted privileges.

A Time for Faith

Thus today we stand at a cross-roads in the history of our great nation. The time has come when we must act, not procrastinate; when we must lead, not follow; when we must speak, not listen; when we must unite, not divide.

In this crisis, we have at our command the strength, the courage, and the inspiration which lay in the Four Great Faiths of our Founding Fathers:

- 26 Faith in God
- 27 Faith in Ourselves
- 28 Faith in Our Fellow Men
- 29 Faith in Freedom

Our nation was founded upon these Faiths. The men who signed the Constitution, the men — and the women — who braved the prairie and the mountain to pioneer our land lived and died by those Faiths. But what about us — and our Faiths?

Faith in God

In searching our minds and hearts for the answer to this question, let us remember that down through the ages, Faith in God has been an all-powerful force in the lives of men — that it has been a never-failing source of strength in time of trouble. Let us remember,

too, that all of the great and lasting movements of civilization have been dedicated to, and founded upon, Faith in a Supreme Power.

When our Pilgrim Fathers waded onto the shores of New England, there was no government ready to give them aid or comfort or support. All they had to sustain them was a deep and abiding Faith. But it was sufficient.

In those early days the voices of the nation's builders resounded through the hills with the great songs of *Faith*. In times of distress, of danger, of Thanksgiving, these ancestors always relied upon faith in God, which they fortified with faith in themselves, faith in their fellow men, faith in freedom. Upon these Faiths rests the foundation and the strength and the security of our nation today.

Most of the world's two billion people have a firm Faith in the existence of a Supreme Power. Throughout civilization, that Faith has persisted. It has survived the efforts of tyrants and dictators to stamp it out.

This Faith is woven into the foundation and uprightness of our nation. It has given us strength when we faltered, courage when we were afraid — united us when we were divided. Recognition of a Supreme Power and dependence upon that Power for guidance is contained in the Declaration of Independence

and in our national and state Constitutions. So strong was their Faith in God that our forebears caused to be stamped on our coins the words, "In God We Trust." To these Founding Fathers, to these men who signed the Declaration of Independence and the Constitution, these men who pioneered our land, this phrase had *real* meaning. But what about us? Do these words, "In God We Trust," guide us, inspire us, strengthen us?

If our country's future is uncertain, if we are worried about tomorrow, then we should do as our forefathers did! We should turn again to the Faiths which made our nation great. Our country's leaders throughout the years shared a sure belief in God. In crisis and in peace, they placed their Faith in God's wisdom, in their own ability to work out their problems, in the great justice of a free people.

Between the America of yesterday and America of tomorrow stands our generation. To us has fallen the duty to preserve the Faith, the Honor, the Strength, and the Glory that is America. So guided, we will serve best America's destiny—and the world's. By looking to God, by dedicating ourselves to His teachings, we and our children can be filled with renewed and strengthened Faith.

Faith in Ourselves

The Scriptures remind us to "as a man thinketh in his heart so is he." This Biblical admonition tells us that we cannot think in terms of failure, and then succeed; in terms of weakness, and then be strong; in terms of fear, and then be courageous; in terms of doubt, and then have Faith.

Our material well-being is ample proof that we have had Faith in Ourselves. It is proof, too, that "the Lord helps those who help themselves."

Each of us can help revive the spirit which built our country, renewing and revitalizing the Faith in Ourselves. We know that it has paid off in richer, in happier, in fuller lives. We know that it has brought us the greatest outpouring of goods and services the world has ever known. We know, too, that it can bring us peace and security.

The history of our country is the history of a people with Faith in Themselves. But in recent years we have lost some of this Faith. We have started leaning upon the government for aid and for assistance—we have started looking to the government for the solution of personal and community problems.

If we persist in this dependence upon government, we shall surely

destroy one of the basic Faiths that helped to make our country free, prosperous, and strong. As dependence upon the government's ability to solve personal and community problems increases, Faith in Ourselves is gradually weakened and eventually destroyed.

Faith in our own ingenuity, resourcefulness, and ability to take care of the basic needs of life is essential to the preservation of human rights and personal liberties. This kind of Faith in Ourselves is what our forefathers handed down to us. It is our responsibility to preserve it untarnished, undiminished.

Faith in Our Fellow Men

It follows naturally that Faith in God and in Ourselves leads directly to Faith in our Fellow Men.

Our forefathers possessed this Faith, too. They lived by it, fought for it, and died to foster it. They wrote it, too, in the Declaration of Independence, that all who followed in their footsteps never would forget these words: "With a firm reliance on the Protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our Sacred Honor." These are the words shaped by men who faced the future with a firm Faith in their Fellow Men.

Today, no less than long years

ago, we must seek the strength such Faith in our Fellow Men yields. We, too, should pledge to each other "our Lives, our Fortunes, and our Sacred Honor" in working to revive the spirit of brotherhood upon which the foundation of our great nation rests. We must renew our Faith in each other, and in the inalienable rights of each other "to life, liberty, and the pursuit of happiness." The preservation of the basic Faith — this foundation of brotherly love — is our duty and our privilege.

Faith in Freedom

The fourth and last of Our Four Great Faiths is Faith in Freedom. Personal Freedom is the natural fruit of Faith in God, in Ourselves, and in our Fellow Men.

Our forefathers believed this. They believed that Freedom was more than an abstract dream. They believed it was a God-given right, not a state-granted privilege; and they believed it so deeply that they made Freedom an accomplished fact. That is why we have Freedom. That is why we, more than any people in the world, have been blessed so richly with so many of the good things of life.

Our nation truly has become a land of plenty in a world beset by poverty, hunger, and suffering. Freedom made this possible by releasing the fetters from our

minds. Down through the years we have been free to dream, to explore, to invent. We have been free to work, to achieve, to accumulate. We have been free to venture — and if we failed — to venture again and again. We have been free to spend our money or to save it. We have been free to climb from lowly beginnings to positions of power, honor, and trust. We have been free to rise from rags to riches. We have been free to enjoy the fruits of our labors.

But as we enjoy these blessings, we should remember always that Freedom can be lost, and that it will be lost if we take it for granted. Freedom is a sacred trust — one which we must protect and pass on inviolate, unblemished. It is our children's birthright, ours to hand on to them and to their children.

To do this, we must do as those before us have done. We must have Faith in God, who answers prayers, Faith in Ourselves and our work; Faith in our Fellow Men, their courage and honesty; Faith in Freedom, its strength and its comfort. But it is not enough merely to declare our Faiths. We must give them life and meaning, by our words, by our works, in our daily lives.

The dynamic Joshua, rugged warrior and man of God who was chosen to lead the children of

Israel into the land of Canaan, provides an example of what we can do to give meaning to our Faith. At a critical period in the history of his people, old Joshua told them: "Choose you this day whom you will serve, but as for me and my house, we will serve the Lord."

Another stirring example that points the way was given us by the great patriot, Patrick Henry, when he said: "I know not what course others may choose, but as for me give me liberty or give me death."

The Faith of our pioneering ancestors was a living, vital force. It was what sustained and guided them as they toiled and fought to lay the foundation and carve the uprightness of our nation. To these men and women, Faith was a daily, hourly substance — a constant source of strength and comfort.

That is the kind of Faith we *need* today to fortify our material strength. That is the kind of Faith we *can* have today if we are willing to look to God for guidance, to seek Him in his temple, to follow his teachings. That is the kind of Faith we *must* have if we are to achieve ultimately "on earth, peace to all men of good will." • • •

Additional copies of this article are available upon request to Mr. J. B. Shores, Director Employee and Public Relations, Texas and Pacific Railway, Dallas 2, Texas.

EQUALITY RE-EXAMINED

REGINALD JEBB



EDITOR'S NOTE: In the October issue of THE FREEMAN, journalist Reginald Jebb discussed some of the implications of the British Labor party program outlined in its pamphlet, *Towards Equality*. More recently Laborite thought leader and Member of Parliament, Mr. C. A. R. Crosland, amplified the equality objectives in three long articles which appeared in the magazine, *Encounter*. His subtle and closely reasoned arguments afford a foretaste of the manner in which collectivist aims may be presented to educated readers of all nations. To help prepare ourselves against such propaganda, we asked Mr. Jebb to review critically the Crosland essays.

HAVING picked "equality" as the most appealing aim of the socialist program, Mr. Crosland suggests several approaches to his objective. He argues the pros and cons of each approach with a great show of impartiality, concluding that all of them have merit but that none fully solves the problem he has posed; needed is a revolutionary change in the whole fabric of society.

All this gives an impression of judicial inquiry presented to reasonable people, but unfortunately for his argument, his objective of equality is never shown to be practicable or suited to free human beings. Neither equalization of incomes nor a classless society is a possibility that could endure. Mr. Crosland himself admits that absolute equality would be intoler-

able — that there are limits beyond which his revolution should not be pushed: "But where, en route, before we reach some drab extreme, we shall wish to stop, I have no idea." So he would start rolling a snowball of centralized power, apparently overlooking the fact that this power feeds upon the liberty of individuals and destroys their capacity to halt the dictator.

In diagnosing the labor-management and political strife in England, Mr. Crosland emphasizes sociological rather than economic causes. Certain classes have gained income faster than they have gained social status. And though the United States is comparatively free of rigid class distinctions, he sees some of the same thing there in "any *nouveau-riche* business class . . . from Texas oil million-

aires to small shop keepers, now highly prosperous but socially insecure."

Many Reasons for Inequality

To remedy this kind of social inequality, Mr. Crosland seeks ways and means to undermine an aristocracy of wealth, only to discover another obstacle in the form of an aristocracy of talent. And he fears that under freedom of opportunity, those who do not succeed may be even more resentful than if they had never been given a fair chance. So he concludes that the State must be doubly careful in arranging differentials in income, taking into account such psychological factors as cause men to envy one another.

He also is concerned with the wastes of inequality: "In a stratified society the ruling elite becomes hereditary and self-perpetuating, and this... must involve a waste of talent." Undoubtedly, there is in all countries a waste of talent, but forced equalization will not remedy that defect. It will only diminish the amount of talent available, creating more excuse than ever for rigid and all-embracing state control.

The privately owned and operated schools (called public schools in England) are especially formidable obstacles in Mr. Crosland's drive toward equality. In his view,

"the best public [private] schools offer not only a superior education but further crucial advantages of the right accent, manner, and dependability of character. These advantages are a major determinant of occupation, and hence of income, power, and prestige."

Admitting that a private enterprise school does a better job than its state-operated "competitor," Mr. Crosland nevertheless proposes — for the sake of equality — that private schools be filled with boys from the government schools and be required to add state officials to their boards of management. In other words, they would be indistinguishable from government schools. If, for equality's sake, everyone should enjoy the advantages of an educational system created by private enterprise, the logical method would seem to call for removal of education from government control. But Mr. Crosland's policy is to kill the goose that lays the golden eggs and substitute a government fowl whose eggs never have come up to standard!

Opportunity Guarantees Nothing

The principle of equality, so popular among those who are resentful of the success of others, calls for critical analysis. The truth that all men are equal has one meaning and one only: All are

equal in the sight of God. From this it follows in justice that no man should be enslaved, and that all should be dealt with equally by the law. But to pretend that all are endowed with equal gifts, whether of intelligence, creative power, or physical prowess is, of course, absurd. Even under complete equality of opportunity, inequalities of wealth, prestige, and fame are bound to occur. To attempt to level them flies in the face of human nature. Certainly, everyone seeks full opportunity for the development of his talents. It is also certain that class snobbery is detestable. But to presume that bureaucratic government can ensure the former or eradicate the latter is pure fancy. A government ought to protect the weak against persecution by the strong, but strength of character lies ultimately in individual effort. And if men are snobs, they will still be snobs in the "drab extreme" of a classless society.

In its drive for a classless society, collectivist thought confuses two utterly different things: (1) the voluntary association of per-

sons according to their work, interests, or tastes; and (2) the tendency of some possessing wealth, rank, or power to look down upon their humble neighbors and treat them as inferiors. The first sort of grouping seems both natural and right for free men while the second is clearly indefensible. But the collectivist, in order to bring everything to a dead level, would destroy that desirable form of voluntary cooperation by equating it in men's minds with the worst kind of snobbery.

Mr. Crosland considers with some justice that the English are a class-conscious nation. But if he would probe deeper, he would find that the least class-conscious and most independent among them are not those who clamor for "equality," but those who by their efforts have acquired productive property, thus enabling them to defy bureaucracy.

Freedom, if it means anything, implies independence of mind, and independence of mind is not created through the centralized power to organize a flock of equalized sheep.

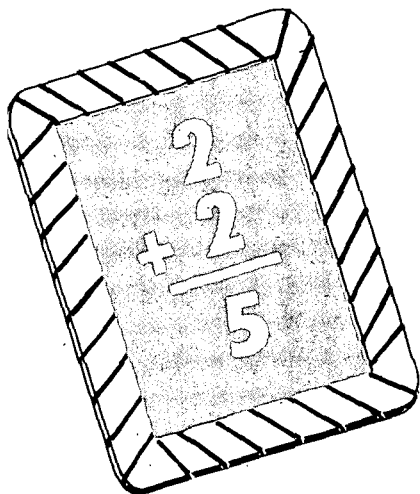
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Consent Binds Freely

IT IS CERTAIN that the most natural and human government is that of consent, for that binds freely . . . when men hold their liberty by true obedience to rules of their own making.

WILLIAM PENN, *Essay towards the Present and Future Peace of Europe*, 1693

The Mathematical Manpower Shortage



Learning how to add is clearly an important step toward understanding of higher mathematics. And perhaps it also is the first step in mastering the fundamentals of economics.

HENRY E. BELDEN

THE SHORTAGE of people whose education and training make them suitable candidates to enter the scientific field is so well known that any citation of statistics in this regard would be repetitious and redundant.

We hear a great amount of talk about the necessity for channeling the gifted college student into science and mathematics. Such efforts have merit and should actively be pursued, but complete solution to the problem is not to be found at the college and university level. The truth is that many pupils reach the college level with a type of mathematical preparation which leaves them sorely unprepared to

follow collegiate courses in mathematics or science. If an effective attack is to be made on the problem of critical shortages in scientific and mathematical personnel, it is going to be necessary to change completely the grand strategy of the attack. The fire-power must start at the foundations of education.

In short, I believe we should start to train the child rather than the man. And we must make sure that the child is *well trained*.

If this process is followed, we will uncover the natural talent for scientific and mathematical subjects, which in many individuals is never awakened or realized, or in

Mr. Belden, nationally known consultant on employee pension plans, also is Manager of the Southern California-Arizona Branch of The Union Central Life Insurance Company. This article is from an address at the 1956 Annual Meeting of the Conference of Actuaries in Public Practice, of which he is a member.

others is finally awakened, but at a time of life when to go back and fill the mind with elementals and fundamentals is distasteful, impractical, or perhaps even impossible.

Pythagoras, who lived in the sixth century B.C., was one of the first of the Greeks to develop an understanding of mathematics. He felt that his knowledge of arithmetic, geometry, and philosophy was so valuable that he would only teach it after swearing his pupils to secrecy and obtaining their agreement not to divulge the knowledge to others. Out of this came the Pythagorean brotherhoods which were disbanded in about 532 B.C. because of their religious and political activity. However, the importance of Pythagoras' mathematical teachings was recognized. In the following century there was no secrecy about the mathematics and philosophy which was being taught to Grecian youth by such men as Socrates and Plato.¹

According to Aristotle, who lived about 150 years after Pythagoras, the Pythagoreans "applied them-

selves to the study of mathematics and were the first to advance in that science; insomuch that, having been brought up in it, they thought that its principles must be the principles of all existing things."²

Euclid's Elements, first written on papyrus scrolls in about 300 B.C. and translated into Arabic perhaps 1,000 years later, became the basis of textbooks on geometry in modern languages. These were in wide general use until the early years of the present century.³

Progressive Education

There was a time prior to the rise of Progressive Education, under the aegis of John Dewey⁴ and his followers, when mathematics was required in some important and significant form at every level of the educational process, starting at the elementary grades and ending at the top as one of the rigid requirements for a Ph.D. Today the teachers' colleges of many of our respected universi-

¹*Encyclopaedia Britannica*, 14th ed. Vol. 18, p. 803.

²*Ibid.* Vol. 8, pp. 802-3.

Hogben, Lancelot. *The Wonderful World of Mathematics*. Garden City Books, 1955. p. 33.

⁴Dewey, John. *The School and Society*. Rev. ed. University of Chicago Press, 1915; *Democracy and Education*. Macmillan, 1921; *Experience and Education*. Macmillan, 1938.

¹*Encyclopaedia Britannica*, 14th ed. Vol. 15, pp. 84-5; Vol. 18, pp. 48-50, 802-4.

Hogben, Lancelot. *Mathematics for the Million*. Rev. ed. Norton, 1947. pp. 26-9, 30-1, 66-7, 163, 194-6; *Wonderful World of Mathematics*. Garden City Books, 1955. pp. 30-1. 33.

ties are granting the Ph.D. and the newer doctoral degrees without any requirements in mathematics.

The status of present-day mathematics at the secondary school level is illustrated by the case of the mother of a high school student who wrote to the editor of her newspaper to complain that when her child wanted to study algebra and geometry, the teacher and principal of the school had advised against it on the grounds that such courses would be of little value in later life. What retrogression since the time when Pythagoras taught that mathematics was the basis of all things!

Perhaps the change is, in part at least, explained by the following quotation from an opinion poll used at a "workshop" for teachers, administrators, and school board members at Teachers College, Columbia University:

"Geometry and other branches of mathematics are not valuable for training persons to think. . . .

"The newer types of school activities—excursions, art, plays—should be emphasized even at the expense of a reduction in the time given to the three R's."

If the old arithmetic teaching methods were so wrong, why is it that the average high school graduate of past years knew his multiplication tables without stopping

to figure out the answers; could add and subtract with reasonable accuracy and speed; could do problems in long division; could work out simple percentages and get the decimal in the right place; and had a basic knowledge of algebra and plane geometry? Today any employer of clerical help knows better than to expect a similar performance from the average recently graduated high school student. Two or three years after graduation they can do some of these things with reasonable proficiency, but for the most part they have learned how to do the work on the job and after leaving school.

Why Wait for Deficiencies?

In considering the above situation I am reminded of something I once read about the effectiveness of the "quickie" courses in remedial reading. If the backward reader can be brought up to standard by a few weeks of intensive training, why wait until he is backward to give him the intensive training? In arithmetic, why force our young people to spend the time from age 6 to 18 in school, only to have them find they must then intensively study what they were not taught in those 12 long years?

In June 1956 the Educational Testing Service of Princeton, N. J., published a booklet, *Problems*

in *Mathematical Education*.⁵ This report opens with a quotation from the *New York Times* of June 20, 1955:

At the grassroots of our society, in the schools where our young people are being trained for their responsibilities tomorrow, there are dry rot and decay which threaten not only the bright economic prospects before us but even our ability to remain strong and defend ourselves. We need scientists, mathematicians, and engineers as never before, yet many teen-agers with the ability to assume such roles are simply not being given a chance to get the essential training. The statistics make plain that great mistakes have been made in thousands of communities throughout our land.

The report continues: "This is a serious indictment. It charges that the schools are falling down on an important part of their job, that at the very time we are increasingly dependent on competence in mathematics, many capable youngsters are denied the training they need. Recent studies tend to fortify this conclusion. Complaints from businessmen emphasize that even the most elementary skill, facility in ordinary arithmetic, is in short supply."

⁵This report, based upon a study made possible by a grant from the Carnegie Corporation of New York, may be obtained from the Educational Testing Service, Princeton, N. J., for \$1.00.

The report of the Educational Testing Service then takes up the question of "The Learner." In this section we find: "According to a recent national survey of high school seniors, 12 per cent of them had never taken any algebra or geometry; 26 per cent had quit studying mathematics after only one year, and another 30 per cent had dropped the subject by the end of the second year . . . 6 per cent of the brighter seniors (the top 30 per cent on a test of mental ability) do not give either algebra or geometry a try and another 41 per cent never get beyond the elementary phases."

The section of the report headed "The Teacher" is so important that I quote from it at some length: "One study showed that of 211 prospective elementary school teachers, nearly 150 had a long-standing hatred of arithmetic.

"This state of affairs may not be unrelated to a lack of ordinary competence with numbers. A random sample of 370 candidates for elementary school positions faced this question on an examination:

"The height of a letter in a certain size of print is $\frac{1}{4}$ inch. If the following are the heights (in inches) of this letter in other sizes of print, which one is the next larger size?

"(a) $\frac{5}{16}$ (b) $\frac{1}{2}$ (c) $\frac{3}{16}$ (d) $\frac{3}{8}$ (e) $\frac{7}{16}$

"Half of the 370 candidates picked a wrong answer.

"There have been numerous studies of teacher competence in arithmetic. If they can be believed, it seems pretty clear that many elementary school teachers have a hard time keeping even half a jump ahead of their pupils.

"'Elementary teachers, for the most part,' according to one observer who has taught them, 'are ignorant of the mathematical basis of arithmetic; high school teachers assigned to teach mathematics fall in this category also.'

"This ignorance is scarcely surprising, for little knowledge of mathematics is expected, even officially, of prospective school teachers. In the majority of cases an individual with ambition to teach in an elementary school can matriculate at a teachers' college without showing any high school mathematics on his record. He can graduate without studying any college mathematics. And in this condition, he can meet the requirements of most states for a certificate to teach arithmetic. The certification requirements for high school math teachers are only a little stiffer: nearly one-third of the states will license them even though they have had no college mathematics at all, and the average requirement for all states is only 10 semester hours.

"In the absence of data, let us

accept the assumption that a teacher who has a solid understanding of mathematics himself is more likely than not to develop a similar understanding in his pupils. Where does such an assumption take us? In a vicious circle, apparently — and in reverse — for it has been shown that 'solid understanding' is frequently absent in teachers. Future teachers pass through the elementary schools learning to detest mathematics. They drop it in high school as early as possible. They avoid it in teachers' colleges because it is not required. They return to the elementary school to teach a new generation to detest it."

Start in Lower Grades

A great majority of the recent efforts to combat the mathematical manpower shortage have been directed at the collegiate level. While such activity is good, the problem will be solved only if attention is directed to mathematics training at every level of education, starting at the very lowest grades. The college or university student who decides to pursue a career in science or mathematics will find he is unable to follow through with the idea if he has not received and absorbed adequate primary and secondary school mathematics. Also, there is low ratio of probability that a college freshman will have

any worth-while or serious scientific or mathematical *desire* if his interest has not been aroused at the lower academic level.

Parents should demand that their children receive adequate drill in addition, subtraction, multiplication, and division and that old-fashioned teaching techniques be returned to usage in the instruction of these important elementary subjects.

Greece was the cultural and economic leader of the world in the days when the great teachers I

have mentioned were at their height. These men were very conscious of the value of mathematics; some thought it was the basis of all things. It was not until the Greek scholars began to lay their emphasis on less important studies that Greece was overthrown and lost its power. The present Atomic Age and its nuclear physicists have proved that the Pythagoreans were not so far off the beam in their belief in regard to mathematics that "its principles must be the principles of all existing things." • • •

The Responsibility of Education

IN THAT TERRIFYING NOVEL by George Orwell, 1984, the Party of Big Brother developed the ultimate in ruthless dictatorship precisely because it devised the means of enslaving men's minds. . . . The crowning triumph of its torture chambers was the undermining of the disciplines of logic and mathematics, by which it finally brought its victims not only to assert but actually to believe that two plus two equals five.

As yet, fortunately, it is only through fantasy that we can see what the destruction of the scholarly and scientific disciplines would mean to mankind. From history, we can learn what their existence has meant. The sheer power of disciplined thought is revealed in practically all the great intellectual and technological advances which the human race has made. The ability of the man of disciplined mind to direct this power effectively upon problems for which he was not specifically trained is proved by examples without number. This ability to solve new problems by using the accumulated intellectual power of the race is mankind's most precious possession. To transmit this power of disciplined thinking is the primary and inescapable responsibility of education.

ARTHUR E. BESTOR, JR., *Education for 1984*

Well, I'll Be Switched!

A bit of speculation concerning human relations.

F. A. HARPER

THOSE OF US who are either fathers or mothers, or sons or daughters, have doubtless pondered the problem of posterior applications of force as a means of dealing with juvenile misconduct.

Suppose a child has done something he shouldn't. What should be done about it? Some pretty deep philosophical problems are involved. They are the same ones involved in international squabbles — even war, where the participants are older and operate in gangs. But let's reduce the problem to a size we can see, based on our own direct experience, so as to avoid becoming befuddled by the sheer bulk of the battle.

The Deed Is Done

Your child, let us say, has enacted a misdeed.

The first fact to be realized is that nothing can undo a deed already done. That much is sure. It is not within our power to alter

past events. We cannot decide that the Stone Age shall not have been.

All that can be done in the direction of undoing the deed is to replace the former physical position of things, and the like. If Johnny has pushed Suzie's doll carriage over the bank, for instance, perhaps he can be made to bring it back. Or if the doll has been broken, perhaps he can be made to either patch it up or buy a new one from his candy money or penny savings.

Such readjustments do not really undo the original deed. One indelible consequence is that Suzie's feelings have been hurt, with the result that her disappointment in Johnny is imprinted upon her mind forever. And neither the patched doll nor a new one like it quite suffices to replace the object of her fondness before it was marred or ruined.

Or to illustrate this point more

Dr. Harper is a member of the staff of the Foundation for Economic Education.

clearly, the life of a dog that has been killed or a person who has been murdered is definitely beyond our power to replace.

What else can be done to Johnny for having committed this misdeed? One thing only—you can apply some sort of retribution. You can do that, or just let the matter go.

Retribution

The form of retribution you choose may range all the way from a rebuke, such as a mild scorn of disfavor, to something of the violent sort. In common parlance, you may either go easy on him or beat the tar out of him. The choice will differ among parents, but for any one parent the selection at any one time will probably depend on the adjudged seriousness of the misdeed or the frequency of its recurrence. Perhaps the time of day and how tired you are when the misdeed occurs will have an influence on your choice; the birch rod doubtless is a tool used more in late afternoons and evenings. But let such details go. They are not of primary concern here.

Retribution can have only two purposes:

1. To penalize the misdoer for a misdeed that has already been performed. This is in addition to forcing him to replace the thing stolen or broken, and the like.

2. To discourage similar misdeeds in the future.

Let's consider these two purposes separately.

Retributive Justice

One who believes in Eventual and Eternal Justice in the Universe must reject the first of these two purposes of retribution. He must refrain from punishment for its own sake, as distinct from trying to prevent repetition.

To refrain from posterior applications for purposes of retributive punishment really stems from one's religious faith. And it is a severe test of that faith, indeed. For in the heat of parental disapproval, it becomes almost irresistible to get in on the act and try to help God a bit; to try to decide for Him what would be a fair potion of gall in this particular instance; to apply the potion now rather than to wait for Him to settle the matter in that universal accounting of justice in the Hereafter.

If I really have faith in an Eternal Justice, I cannot logically bow to this temptation. My excuse for doing so would be a claim of false authority. Tested in the light of an Eternal Justice, I would then myself be originating a misdeed merely because another has done a misdeed, and that makes no sense. I would be starting a chain

reaction leading to an endless market for birch rods as a consequence of the original misdeed.

So anyone who believes in a formalized Heaven and Hell, or any counterpart thereof, must reject as a valid purpose of retribution the penalizing of misdoers beyond the point of repairing damage done. On what authority can I assume that the processes of retribution have not already been fully designed, or that I am empowered to design or redesign them as part of my life mission?

That He May Fear

If one rejects retribution for its own sake alone, then the only valid purpose it can have is to try to discourage repetition of the misdeed.

Usually these retributive ceremonies are quite private affairs between the parent and the child. Neighbors are generally not invited to be observers. Why? Couldn't neighbor children benefit as observers and also acquire goodness that way? Why restrict the lesson to one who has already performed the misdeed? Why not let its benefits accrue as well to others, where misdeeds may be contemplated but still undone? Perhaps, if the process can attain the goal, something is to be said for public whipping posts, public executions, and the like.

So if misconduct can be discouraged by retribution on the misdoer, can it not also be discouraged in an alert child who merely observes the application of posterior pains on the misdoer? And if that can be made to work is it not possible to forestall misconduct in an innocent child by applying in advance a sample of the retributive process?

Pre-Punishment

For instance, if George can be prevented from cutting down a second cherry tree by the application of a bit of force after the first misdeed, can't Tom be discouraged from cutting one down by being allowed to observe George's punishment, as a sample of what might be in store for him in like circumstances? In fact couldn't George have been prevented from cutting down the first tree if he had been whipped in advance, as an innocent boy, as a sample of what the misdeed would hold in store for him? This would be a unique procedure, to be sure, and it opens up quite unlimited opportunities for "retribution in advance," so to speak. But if one assumes that the process truly prevents misdeeds, what is wrong with such preventive measures applied to the innocent as well as to the guilty?

The deep, philosophical question

at issue here is whether or not the process attains its objective. Can people be made moral by force? There is no doubt, I suppose, that the conduct of a child can be altered somewhat by the application of force or the threat of force; that he can be influenced through the process of fear which this engenders. The child can surely be made to act one way, or not act another, due to the push of fear rather than to the pull of understanding. But since moral conduct must be a personal and self-willed choice based on what the individual himself deems to be good, rather than what he fears, then force and the threat of force surely fails to cause moral conduct — whatever else one may say about it. However much the child's actions may be influenced by restraint and by the generation of fears, it is something other than moral guidance that is being accomplished.

I suspect from my own experience that when as parents we apply a whipping, it is the consequence of having reached a state of intellectual bankruptcy at this point. We don't know what else to do. So our discouragement or animosity breaks out in this particular form, with the child directly on the receiving end.

Perhaps there is nothing else to be done at that stage of events.

But isn't it possible, somehow, to avoid their ever reaching that critical stage?

Love and Respect

Now, love — or at least respect — is surely a requisite to the child's learning a lesson that will reorient his conduct into proper, self-responsible action — moral conduct.

If a whipping has the effect of destroying this love and respect, a most precious and essential starting point of the child's education will have been lost.

It is not easy at such critical times to remember that the child's deed seemed to *him at that time* to be the right thing to do. It seemed to him that it was the thing to do, that is, as a composite opinion that took into account all considerations known to him, together with his intuitive guides to conduct. To say this is no more than to state an axiom, yet as a tool of thinking it tends to escape parents in such times of emergency.

So the child's deed — which to the parent was a misdeed — simply reflects the child's tools for decision at that time. In differing from his parent's decision of the right thing to have done, it simply means that the two had different tools for judgment. To beat the tar out of the child because of this difference of opinion fails to introduce a single new element for ra-

tional choice into the child's kit of decision tools. When again similar circumstances arise, the child will surely still think as he did before as to what is the right thing to do. The whipping does nothing, basically, to correct the concept that caused the child to behave in a way deemed wrong by the parent. All that the whipping can do is to inject the new ingredients of violence and fear into the child's kit of reactions.

What Was His Reason?

I once observed a teen-ager handle a problem in an interesting way. A younger child had perpetrated a misdeed, as his elders judged it. The elders, in conference assembled, were pondering what to do about it. Finally the teen-ager said: "Let me try to handle this. I want to talk with him first, and find out *why* he did it. He must have had *some* reason, and if we can find out what the reason is, we will know where to start to work."

This approach seemed to me to be astute and sound. Why start to work on a problem until we know precisely what the problem is?

I am reminded in this connection of a proposal for resolving arguments. As a starting point, each side states its case and all the facts that contribute to the position each takes on the issue. The second step

is for each side to state the facts and position held by the other side — state them *to the satisfaction of the other person*. Only after that point has been reached are the parties ready to try to proceed with the final step of resolving the difference. The only point of present interest about this procedure is to recognize that both parties have reasons for their position; that only after all the facts have been laid on the table for both to see, is it possible to proceed toward agreement based on reason rather than on power.

Who Should Be Whipped?

Now there is an interesting question to be posed at this point, about a difference of opinion between the parent and the child. Let us assume that one of them is going to use force on the other as a means of handling this difference of opinion. We have already concluded that the process relies on fear rather than on understanding and sincere conviction; that it probably destroys love and respect on the part of the victim. The problem now arises as to which of the two is to be the victim. Who is to be whipped?

Ruses may be used to decide this question, such as seniority rights. Or the law of guardianship might be invoked, or something of the sort. But behind all these masks to

the claim of authority looms the real one — superior might. The one who is bigger as tested by the tools of this battle — force — will be the applier; the smaller will be the recipient. Might rules games of might. And so the parent wins the initiative, ordinarily.

A common parental observation is this: "This is going to hurt me worse than it does you." That, I take it, is supposed to convince the victim that he is not, after all, to be the principal sufferer. That is a claim surely lacking in convincing power. On the contrary, it probably only induces in the child a further — and unnecessary — loss of respect for the parent who poses such a porous pontification.

Now let's take a bit of inventory of our analysis. The only valid purpose for a whipping is to induce nonrepetition of misconduct — as judged by the parent, and in contrast to the child's judgment at the time of the deed. The process substitutes force for reason. It operates through fear, and will be no more lasting than will be the child's fear of his parent. This approach is the antithesis of love and respect, and is alien to all that love and respect can attain. It denies education and bars new tools for learning moral self-reliance, by which the child will make wise choices.

One may now ask, in the light of

all this, why the child should not whip the parent rather than the other way around? If the child truly loves and respects the parent, then his having to do this should induce sincere regrets for having done something that led to this sad ending. It would, furthermore, avoid the risk of losing the child's love and respect, to whatever extent there was any originally.

The child may not, of course, have any love and respect for the parent. If this is the case, then a fundamental requisite to educational influence is totally lacking anyhow. And a lashing, by itself alone, is surely not the way to establish love and respect. So if the parent has failed up to this time to gain the love and respect of the child, why shouldn't the parent be lashed for his failure; who better to administer the penalty than the child, the victim of neglect?

The Test of Experience

Before throwing such a strange proposal into the ash can, one might try applying it to his own experience as a child. In my own experience, the one and only lashing I received was one where — to this day — I am convinced that the judge rendered a hasty decision prior to obtaining all the facts in the case. The whipping had absolutely no effect whatever, so far as I can detect, of helping me to ac-

quire better tools of judgment in the future. All it did was to sacrifice some of that sacred ingredient of love and respect, from which alone can come a positive influence for the future.

How about your own experiences? Did you ever learn anything fundamental from the applications of brute force upon your posterior? Did you ever gain from it any love and respect for the inflictor?

It would be difficult, I suspect, to take this step and hand the switch to the child to be used on one of us as a parent. A friend of mine, on whom I tried a trial run of this reasoning, remarked: "I think I'll have my wife try it first."

Of course, there is another alternative. And this is to avoid the process of force entirely; to rely

totally on gaining enough advance respect in the eyes of the child so that guidance can be accomplished out of respect and understanding, rather than to have to resort to force. Failing in this, perhaps the battle is lost anyhow.

A complete reorientation of processes of the parental handling of children in times of misdoing, along the lines suggested, might also be tried elsewhere. It might be tried where there are differences of opinion in larger categories of humanity — even international and interracial affairs. In the face of continuous failure in international affairs by the use of force, might we not consider a new approach even there? Rule by sheer might is a doubtful device, even from the standpoint of the seeming victor.



A Consequence of Compulsion

WHEN THE LAW, by means of its necessary agent, force, imposes upon men a regulation of labor, a method or a subject of education, a religious faith or creed — then the law is no longer negative; it acts positively upon people. It substitutes the will of the legislator for their own wills; the initiative of the legislator for their own initiatives. When this happens, the people no longer need to discuss, to compare, to plan ahead; the law does all this for them. Intelligence becomes a useless prop for the people; they cease to be men; they lose their personality, their liberty, their property.

FREDERIC BASTIAT, *The Law*, 1850



A REVIEWER'S NOTEBOOK

John Chamberlain

CHARLES E. Sorensen — “Cast-Iron Charlie,” as Henry Ford called him throughout the forty years of his employment by the Ford Motor Company — was not a man of theory. Like his boss, this Danish patternmaker from Copenhagen had to see things in action before he could proceed to the generalization. Nevertheless, Sorensen’s autobiography, *My Forty Years with Ford* (W. W. Norton, 345 pp. \$5.00) offers the clearest anatomical description of the American system of economics since the publication some thirty years ago of Garet Garrett’s *The American Omen*. It is a book that is worth far more than all the college texts that have been written in the wake of John Maynard Keynes, who did so much to undercut the American theory of the falling price level by institutionalizing the opposite — and European — idea of the perpetual inflationary bias.

Theoretically, when Charlie Sorensen went to work for Ford in the early days of the century before Model T was born, all that

an American manufacturer had to do to make consumer capitalism work was to follow the books of a few academic pioneers, such as Francis Walker and H. C. Carey. For there, a full generation before Henry Ford began tinkering with a racing car for Barney Oldfield, the American system of economics is shadowed forth. Ricardo and his followers in England had taught the doctrine of the wage fund; they thought the workingman was paid out of profits, which implied a perpetual struggle between investor and laborer for the something extra that makes both saving and working worth-while. In brief, Ricardo, long before Marx, taught the doctrine of the class war. Francis Walker and his American school said it was not so: The American theory was that wages were paid out of production; that if you increased production, selling more and more items at less and less per item, the wages and the profits would rise together. But no one acted on the Walker theory until Ford came along.

The curious thing about it, as

Sorensen's book shows rather irrefutably, is that Henry Ford owed precisely nothing to the theoreticians who had gone before him. Ford was the true untutored genius. What he did was to rediscover all on his lonesome the several elements which were to make mass production and a consumer-oriented capitalism possible. He put the several elements together by a process of trial and error, coming up in the end with a perfect model of what had been dimly apprehended in the academicians' books. Then, long after the first working model of modern capitalism had produced and sold some thirty million cars, Henry Ford hired a man named Samuel Crowther to explain the theory of what had been done. The explanation, says Charlie Sorensen, was wholly after the fact, and the fact itself owed far less to logical processes than Ford himself wished to believe.

Interchangeable Parts

The production of interchangeable parts was already an old story when Ford began dreaming of a cheap car to fit the average American's pocketbook. Eli Whitney and the Connecticut gunmakers had been producing rifles and Colt revolvers by the interchangeable unit system for years before Henry Leland first applied the principle in

Michigan to the construction of Cadillacs. Ford took the interchangeable unit system out of the Detroit air. But mass production required an automatically timed flow of parts to the right place at the right time, and there was nothing much in the Detroit air to show Ford what to do about this until he hired a man named Walter Flanders. This wild man, who stayed with Ford only twenty months, had original ideas about the arrangement of machines. Putting the interchangeable unit system together with the Flanders' notions, Sorensen and others at Ford finally came up with the moving assembly line. It was indigenous to the Ford plant, but Ford himself did not invent it; he merely sponsored it—which Charlie Sorensen says is glory enough.

Assembly Lines

In his arrangement of work Ford might have saved himself a lot of trouble if he had only been acquainted with Frederick W. Taylor who first tried out the techniques of time-motion study at the Midvale Steel Company. But nobody at the Ford Company had ever heard of Taylor when Ford and Sorensen were setting up moving production lines at the Highland Park plant in 1913. According to Sorensen, Taylor was highly surprised in 1914 to hear that the

Ford Company "had undertaken to install the principles of scientific management without the aid of experts."

"It was more trial and error that led Henry Ford on from his independent discovery of Taylorism to an equally independent adumbration of the theory of consumer capitalism. When Ford first conceived the desire to make a cheap car for the multitudes, he wasn't much concerned about the origins of mass purchasing power. Presumably he had farmers, the traditional dwellers in rural isolation, in mind when he thought of an expanding market for the Tin Lizzy. When Ford first decided on the \$5-day for his workers, it was as an incentive move. The profits were piling up so fast as a result of assembly line production that it was only reasonable to suppose that the Ford labor force would become disgruntled if it didn't share in the vastly increased take.

So the \$5-day was instituted as an efficiency lure, not as something to make mass consumption possible. But mass consumption came inevitably in its wake. Ford himself was soon startled to discover that he hadn't provided parking space for cars at the new Highland Park plant. It was long after his men had started driving Model Ts to work that Ford got his literary Man Friday, Mr. Crowther, to

draw the inevitable deductions. Thus the optimistic principles which had first been set down in the eighteen seventies by economist Francis Walker were almost accidentally proved in the practice of a man who probably never in his life heard of Walker.

Books Have Their Place

Henry Ford is famous for his opinion that the greater part of history is "bunk." But this was the opinion of a tinkerer who learned only from his hands and his eyes. It didn't matter much in the case of Henry Ford, who happened to be a genius. But books have their place — and it would not have hurt if Ford had been able to read the literature which effectively prophesied his own emergence.

The point is worth making these days precisely because Mr. Sorensen's story of the origins of the Ford system is not bunk. *My Forty Years with Ford* is something that should be read again and again, in workshops, in union offices, in the schools, and in whatever rooms politicians use when they have opportunity to do a little homework. The sad thing is that the lesson of the Ford Company, which was eloquently set forth in 1928 in Garrett's *The American Omen*, is being forgotten by the very Americans who have profited most from its application. Instead of letting

capitalism work its miracles in the shape of lower and lower prices for the consumer as mass production spins on past the "breakeven" point, the politicians are committed to the rule that the savings of the American system belong to them, to be siphoned off in taxes. Wages still go up as unit production costs are slashed. But the consumer no longer gets his share of the benefit, save as the politician sees fit to dole it out to him as federal aid to this and that.

Even so, the Ford system goes

on working. It may be surmised that the only reason the past twenty years of inflation haven't been absolutely ruinous is to be found in the triumph of American technology, which has hauled the dollar back from the abyss by forcing a continually mounting plenty. Sorensen's book is a first-rate case study of how this technology works even in the face of transcendent difficulties. It is also an intensely human study of a man who had his idiosyncracies and blind spots. Altogether, it is the book of the year.

 Liberty Hyde Bailey: An Informal Biography

By Philip Dorf. Ithaca: Cornell University Press. 259 pp. \$3.50.

Of the countless people who wander over hill and dale, occasionally there is one whose course becomes a path; then a road; then a highway.

The influence of great minds is like that. Many of us were attracted to Cornell to study under one particular man who himself had been attracted there to study under another man. The other man was Liberty Hyde Bailey, one of the world's greatest botanists.

Not every biography of a scientist would be worthy of note from the standpoint of liberty. But

Bailey's is worthy for several reasons.

For one thing, his unique name — Liberty. His grandfather, a Vermont abolitionist of the early nineteenth century, had proclaimed on the birth of a son: "Call him Liberty — for all shall be free." And that name was passed on to the grandson.

Liberty Hyde Bailey was an extreme individualist who exemplified the deepest purposes of liberty. An ordered, command society can never chart the course for great minds. All it can do is to paralyze them. But under liberty, the work of men like Bailey benefits us all.

His was a fascinating life. As a boy, he played with the Indians in

frontier Michigan. Later he became the close friend not only of remote plants but also of men all over the world.

At an early age Bailey laid out his life's plan in skeleton form. He planned to learn for twenty-five years, teach for twenty-five years, and then "do what I wish" for twenty-five years.

He entered the third phase of his plan a bit late. It seems that when he was forty-five he had reluctantly accepted the Deanship at Cornell, but promised to serve only ten years. Ten years later he walked into a faculty meeting, announced his retirement, and left the room. Of this event, one who was present said: "We were all too stricken to speak, and I look back on it as one of the most dramatic experiences of my life."

The end of his great career did not come, however, at the three-quarter-century mark. Bailey had once said in a commencement address delivered in his seventy-third year: "On that day that I lose my enthusiasm, let me die." His continuing enthusiasm is evidenced by the fact that in his ninety-second year he was preparing for one of his numerous expeditions to study palms in Africa, and to visit fourteen countries. As a result of an accident in New York, he broke his leg. When he finally came to realize that he would

never recover enough to make the trip, his enthusiasm faded for the first time. Finally, on Christmas night of the ninety-eighth year of his life, there passed away a man who had upheld liberty in science as few have ever done—"for all shall be free." F. A. HARPER

The Passing of American Neutrality, 1937-1941

By Donald F. Drummond. Ann Arbor: University of Michigan Press, vii. 409 pp. \$7.50.

Professor Drummond's volume describes the most ominous transition in American history—from the loss of the benign neutrality, international modesty, and pacific inclinations which safely guided our foreign relations for more than a century and kept us free from any major foreign war during this period, to the fervent espousal of world meddling, give away, and "perpetual war for perpetual peace."

This transition should be especially impressive and appalling to libertarians who are opposed to state enterprise, inflation, and increasing debt, as it has brought every one of these in its wake.

The decline of political morals after a decade and a half of official mendacity in regard to world affairs and their domestic aftermath has led to the toleration of unprec-

edented graft and corruption in public life.

The economic changes have been even more menacing. Military managerialism, a vast enlargement of statism, inflation, rising living costs, currency depreciation, an astronomical public debt, and increasingly crushing taxation have been among the penalties exacted of the United States by our interventionism. Our economy is being undermined and our national resources exhausted.

The financial balance-sheet dramatically underlines the fantastic cost of interventionism. It has been estimated that the total cost of our interventionism since 1941 has been in excess of \$750 billion dollars, as compared with all federal public expenditures of \$180 billions from 1789 to 1941. Between 1941 and 1953, Roosevelt and Truman each spent approximately twice as much as all national expenditures down to the year 1941.

It will be evident that the evils and burdens brought to this country by our interventionist Liberals since 1940 vastly exceed the damage done to the country through the machinations and subversive actions of the communists during this same period.

Some may seek to brush this off by holding that such is the cost of actual war. But the vast expendi-

tures continue in so-called peace time. The militaristic system is being made permanent as politicians have learned the technique of linking economic "prosperity" and political tenure to the indefinite prolonging of cold and phony warfare and the vast military expenditures associated with it.

Professor Drummond's book tells how we lost our neutrality and the truly peaceful policy which controlled our foreign relations and limited our public expenditures for a century and a half, although he recounts the story with approval rather than reproach.

HARRY ELMER BARNES

A Carnival of Buncombe

By H. L. Mencken, edited by Malcolm Moos. Baltimore, Md.: The Johns Hopkins Press. 370 pp. \$4.50.

This is not the most profound book on politics ever penned, but it is probably the most fun. There are sixty-nine pieces here, selected by Huntington Cairns from the hundreds of political articles Mencken wrote for the *Baltimore Sun* in the years 1920-1936. Mencken was at the top of his form during this period, and although he professed to despise politics — apart from its entertainment value — he would have been desolated if kept away from it. He had a constitutional antipathy to

frauds, and his preoccupation with the gorgeous specimens that abounded in American politics during his lifetime brought out some of his best writing. He was a shrewd reporter who reacted vigorously and wrote with a complete honesty that spared no one.

This is the second book to be published after Mencken's death. The previous one, *Minority Report*, is a miscellany of warmed-over Mencken written after his prime, and better forgotten. *A Carnival of Buncombe*, on the other hand, is the cream of Mencken's best.

It was not the "honest imbecility" of the ordinary politician that sent Mencken's temperature up to 103; it was the do-gooder, the right-thinker, and the forward-looker in politics — the "resilient, sneaking, limber, oleaginous, hollow, and disingenuous" fellow who purveyed "an idealism that is oblique, confusing, dishonest and ferocious." This was the type which had come to dominate the American political scene since the turn of the century, as Mencken viewed it. "One of the greatest defects of a democracy," he wrote, "is that it forces every candidate for office, even the highest, into frauds and chicaneries that are wholly incompatible with the most elementary decency and honor. In proportion as he is intelligent and

honest, his candidacy is hopeless."

This trend appears inevitable in a mass democracy where politicians must flatter the mob to get elected: "The first and last aim of the politician is to get votes, and the safest of all ways to get votes is to appear to the plain man to be a plain man like himself, which is to say, to appear to him to be happily free from any heretical treason to the body of accepted platitudes — to be filled to the brim with the flabby, banal, childish notions that challenge no prejudice and lay no burden of examination upon the mind."

This trend in American political life carries with it two major consequences: the deterioration of the two party system, and the decline of the people's liberties. If no candidate for high office can get elected by standing on his principles, parties erected on distinctive political principles will tend to disappear. This is inevitable, and evidence for it is the merging of the two major parties. "Both," Mencken writes, "have lost their old vitality, all their old reality; neither, as it stands today, is anything more than a huge and clumsy machine for cadging jobs. They do not carry living principles into their successive campaigns; they simply grab up anything that seems likely to make votes. The old distinctions between them have all faded out,

and are now almost indiscernible."

As for personal freedom, it is steadily being liquidated: "Laws multiply in the land. They grow more and more idiotic and oppressive. Swarms of scoundrels are let loose to harass honest men. The liberties that the Fathers gave us are turned into mockeries. . . . Between Wilson and his brigades of informers, spies, volunteer detectives, perjurers and complaisant judges, and the Prohibitionists and their messianic delusion, the liberty of the citizen has pretty well vanished in America. . . . I begin to see signs that, deep down in their hearts, the American people are growing tired of government by fiat and denunciation. Once they reach the limit of endurance, there will be a chance again for the sort of Americanism that civilized men can be proud of. . . ." This, written in 1920, is a tribute to Mencken's prescience. On the issue of individual liberty he never faltered, even when his own freedom was not directly involved.

Mencken could recognize and respect a man when he saw one, even if he abhorred the man's ideas. Thus it should surprise no one that he voted for LaFollette in 1924. Mencken affirmed he would go to the gallows arguing that socialism was a swindle. Nevertheless, he stated: "I shall vote for him (LaFollette) unhesitatingly, and for a

plain reason: he is the best man in the running, *as a man*. There is no ring in his nose. Nobody owns him. Nobody bosses him. Nobody even advises him. Right or wrong, he has stood on his own bottom, firmly and resolutely, since the day he was first heard of in politics, battling for his ideas in good weather and bad, facing great odds gladly, going against his followers as well as with his followers, taking his own line always and sticking to it with superb courage and resolution."

Mencken had his blind spots, and some of them glare. But in the political arena he saw clearly. He was the outsider viewing his contemporaries with good-natured contempt for their excited absorption in the shenanigans of politics. Even in his *Notes on Democracy*, the nearest thing to a political creed, his common sense kept breaking through to keep him sane. No political structure or program has the solidity to bear the assorted faiths and loyalties which people in the twentieth century — lacking a proper object of faith and loyalty — entrust to it. To the extent that a cure for this condition is possible, *A Carnival of Buncombe* is a long step in the right direction. A new object of faith and loyalty completes the cure, and one is free to look beyond Mencken for that.

EDMUND A. OPITZ

 Fountain of Justice: A Study in the Natural Law

By John C. H. Wu. New York: Sheed & Ward. 287 pp. \$3.75.

A statutory law is established by legislative enactment. Whatever authority it may have derives from the power of the legislating body to enforce it, plus the public opinion which approves it. For the legal positivists there is not and need not be any other sanction, but there are philosophies of law which take issue with this conclusion.

Public opinion may be uninstructed or misinformed and the legislators wicked men — in which case the statute enacted by the one and approved by the other may be a vicious and unjust law. But when we speak in these terms, we introduce another dimension into the argument — the speculative and metaphysical dimension which the positivists seek to exclude. The idea that eternal and immutable principles are written into the nature of things and that just laws are those which correspond to these principles is part of the Higher Law background of American constitutional theory. The concept of "Nature and Nature's God" as the ultimate sanction for political bodies and their deliverances was widely held by the Founding Fathers. The alternative notion that the supremacy of the Consti-

tution rests on its rootage in popular will represents a comparatively late outgrowth in American constitutional theory.

These are large topics which do not admit of any easy settlement, and they are of enormous importance to every libertarian. For if any elected body, at the behest of some "majority," may rightfully pass any law it pleases, then a law curbing the liberty of a minority has the same ethical sanction as a law which seeks to protect it. In practice, and perhaps in theory as well, this is equivalent to eliminating ethical considerations from the legal field, which is to sanctify force.

Dr. Wu combines the wisdom of two social heredities — that of China and that of the West. He has written a learned but readable book on the natural law and common law background of the American political tradition which pays full tribute to the theological and religious premises which undergird that tradition.

EDMUND A. OPITZ

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The law, the book of rules and prohibitions for social administration, can logically serve only the purpose of deterring man's destructive actions for the sake of giving full flower to his creative actions. Government, within its proper bounds, can be but the protective servant of all individuals equally against antisocial marauders.

Selections from *Government—An Ideal Concept* by Leonard E. Read. The Foundation for Economic Education, Irvington-on-Hudson, N. Y. 149 pp. \$1.50 paper, \$2.00 cloth.